

John Walsh
On Botham v Khan
page 17



How Jarvis and Joanna could take Di's place

Section Two, cover story



THE INDEPENDENT

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THURSDAY 18 JULY 1996

WEATHER: Warm and sunny

40p (IR 45p)

Terror in the UK: Yesterday Ulster thugs beat their 400th victim since the ceasefire

By Rebecca Fowler

They came for Donal Gray in the silence of the night, their faces masked and their guns hot. Just minutes later, in the early hours of yesterday, the young man, a promising football player, lay broken in agony on the front garden strewn in blood, his dream of sporting stardom shattered.

For Gray, only 19, who plays for Glenavon, Co Armagh, it was a tragedy. For the six men, who claimed to be from the Provisional IRA, he was the 400th victim of the so-called punishment beatings in Northern Ireland.

While the fragile ceasefire had appeared to free the streets of fear, the beatings never went away.

Instead they increased alarmingly in the insidious campaign by republicans and loyalists to maintain the control they have held over communities for 25 years.

Since 1994 republicans have carried out 266 beatings, loyalists 144. These figures compare with a total of 45 in the 14 months before the ceasefire.

Just as the authorities pay little attention to the 600 families whose lives in the past two weeks were turned upside down when they were forced out of their homes by thugs, so the politicians have largely averted their gaze from punishment beatings.

Families Against Intimidation, a charity that works with the victims of violence in Ulster, condemned the widespread failure of politicians to acknowledge such brutal beatings.

"As far as we're concerned, these figures are only the tip of the iceberg. Due to fear of reprisals people don't report them, they're too frightened, so there's been no easing up," a spokeswoman said.

Among the worst cases the charity has dealt with was the attack on Martin Donnelly, 18, at Easter. He was literally crucified by the IRA when



Left to right: Simon Murray, shot by the IRA in August 1995; a reconstruction of a 'punishment'; and Donal Gray, before he became the 400th punishment victim Photograph: Pacemaker

they hammered spikes into his arms and legs, as deep as they would go. He was taken to hospital screaming in pain.

The spokeswoman added: "It takes something like that to get politicians to acknowledge the problem. But we are appalled by their lack of condemnation of these attacks."

It's just brushed aside and they carry on happening as before," Donal Gray, who has a broken leg, a fractured kneecap and deep cuts, received the typical treatment: he was rushed to hospital from his home in Newry, after being beaten savagely with cudgels studded with nails while his family listened helplessly to his cries.

He had been watching television with his father, Edward, on Tuesday night: after midnight, they heard the shattering of glass as masked men burst through the front door.

Edward Gray said: "They said it was Provisional IRA. They just came in: Donal was

sitting there with me and they trailed him out and beat him in the hallway and then took him into the garden and beat him again."

Their weapons were those favoured by the IRA for their recent beatings. In the past year they have moved away from gun wounds to knees and

elbows, and developed a taste for spiked weapons, hammers, iron bars, and baseball bats, which often cause even more serious wounds.

Among the recent punishment attacks was the shooting of Simon Murray, 21, last August. It was the first use of guns for a beating in nearly a year.

He was kidnapped on his way home, dragged into a car at 1.30am, taken to a nationalist area, pinned to the ground, and beaten with sticks, before the masked men shot him in the knees and elbows.

The following month, IRA members were blamed for having left a man with a punctured

lung bleeding in the street. He needed 30 stitches after they attacked him with a hatchet, a brick and an iron bar in front of his girlfriend.

In October the IRA was also held responsible for dragging a girl aged 16 out of her home, tying her to a lamppost and pouring paint over her.

The motives behind the brutal beating of Gray were still unclear yesterday.

In most cases the IRA claims it is punishing "anti-social behaviour", often related to drug abuse, to keep communities under control.

But there was no evidence that Gray had ever crossed the law. He was a hard-working, disciplined young footballer who had been transferred from Partick Thistle in Scotland to Glenavon with dreams of making the big time.

A spokesman for the club said: "He was a promising young player and we were hoping that he would have made it into the senior team and held down a regular place in the side this season."

He had played a few games for the club since his transfer, but a groin injury put him out of action before he was fit enough to play again at the end of last season.

Detective Inspector Alan Maines said: "This is a 19-year-old of great footballing talent. His injuries could mean a very promising career is in jeopardy."

In an earlier attack in the republican market area of Belfast, on Tuesday, a man was beaten by a gang of masked men in an alley. They struck him with iron bars and broke his arm.

As Gray lay in Belfast City Hospital last night surrounded by his family, his dreams were hanging in the balance.

And, as the people of Belfast locked their doors for the evening, it was not just the end of the ceasefire they feared.

It was the sound of shattering glass and the glimpse of masked men who never went away.

Leak puts Chancellor in hot water

ANTHONY BEVINS
Political Editor

The Chancellor of the Exchequer, Kenneth Clarke, was left floundering on the ropes last night after taking a Commons debate over plans to cut state support for post-16 education and privatise the roads.

In dramatic exchanges with shadow Chancellor, Gordon Brown, Mr Clarke showed he clearly had not read a 123-page Treasury document that disclosed the plans.

He was so unprepared for the onslaught that he could be seen furtively speed-reading the paper. He flicked through it back-

wards, concealing it within a blue Treasury file and then put it away again, as if it were too distasteful to take in at one go.

Earlier, after details of the paper had been leaked, Mr Clarke attempted to dismiss it in a BBC radio interview as the work of "some kids in the office". He said dismissively: "It's quite entertaining, this document. It doesn't represent anything to do with Government policy."

But in a Commons debate on the economy, Mr Brown landed blow after blow on the Chancellor, defying him to deny two critical statements in the report, *Strategic Considerations for the Treasury - 2000 to 2005*.

The document revealed that "consideration" was being given to:

□ A proposal to transfer road ownership "to regulated private companies who would receive their income from road users".

□ A reduction of "state support" for post-16 education on the grounds that rising demand is "unaffordable".

Chris Smith, Labour's social security spokesman, stated: "There is no way we would contemplate privatising the basic state pension, privatising unemployment insurance or privatising sickness benefit."

Labour, however, is examining plans which could lead to the

privatisation of the rest of Serps, the State Earnings Related Pension Scheme.

Frank Field, the Labour chairman of the Commons Social Security Committee, is clear that Labour does not rule out shifting unemployment benefit as well as Serps into new, mutually-owned corporations.

Mr Brown first demanded to know whether privatisation of the roads was under active consideration.

Clearly flummoxed, Mr Clarke asked for a definition of privatisation, saying that the document did not define it. He then added: "He is asking a question about a subject

he could not define."

Mr Brown then defined privatisation in the terms given in the document and still got no answer. The shadow Chancellor then challenged the Chancellor on plans to cut post-16 education. Mr Clarke could be seen hurriedly consulting William Waldegrave, Chief Secretary to the Treasury, who was sitting next to him on the Government frontbench. He got up to say: "I have not asked the grade 7 civil servant who wrote this..." He added: "I didn't know this document was being prepared in the Department."

Contract with Britain? pages 2,3

QUICKLY

Crisis over Karadzic

The western powers are facing a crisis over Bosnia because of the continuing presence in the country of Radovan Karadzic, the Bosnian Serb leader.

At the United Nations Islamic member nations were supporting a draft Security Council resolution, obtained by the *Independent*, that would demand the arrest of Mr Karadzic and the Bosnian Serb military commander, General Ratko Mladic. Page 10

Labour against strike

The Labour leadership yesterday sided with London Underground management over today's 24-hour strike which will bring the system to a virtual standstill for the first time in seven years. Page 4

Author loses plot

The winner of Britain's premier children's book award yesterday broke with tradition by denouncing fellow authors during his acceptance speech. Page 7

Anonymous reveals his true colours

RUPERT CORNWELL
Washington

So the joyless gumshoes of the American press have finally succeeded in solving one engaging mystery of a otherwise unengaging political year.

"Anonymous", the author of the best-selling political novel, *Primary Colors*, is, after all, Joe Klein, columnist for *Newsweek* magazine.

All last winter, as Bob Dole plodded to his utterly predictable victory in the Republican nomination stakes, the real guessing game for political junkies was another: Who wrote the hilarious *roman-a-clef* based on Bill Clinton's scandal-strewn rollercoaster through the primaries four years earlier?

Given the author's uncanny accuracy eye for detail, it was quickly obvious that he (or she) was either a worker on the campaign, or a journalist who covered it. In the latter group, a computer comparison of the

style of the novel with the writings of leading contenders established Mr Klein as the leading suspect. But he denied all, and there the matter seemed to rest.

No longer. The *Washington Post* obtained an early manuscript of *Primary Colors*, with its author's handwritten corrections, and samples of the handwriting of Mr Klein. Then it enlisted Maureen Casey Owens, "a top document examiner and former president of

the American Academy of Forensic Sciences".

Her verdict came on the front page yesterday. The two samples of handwriting were "absolutely consistent" throughout - and if the magnified specimens of "w", "i", and "t", displayed in the *Post*'s article are anything to go by, no layman could disagree. Confronted with the new evidence, the Klein denial became a terse "no comment".

Later, Mr Klein admitted

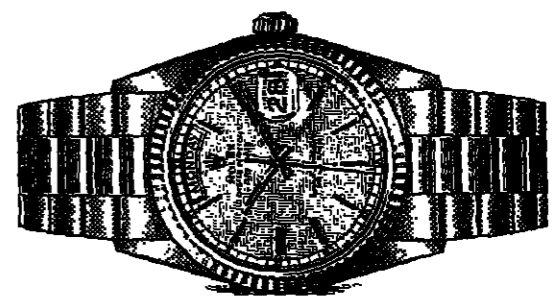
authorship at a hastily-convened press conference, where he talked of his "relief and sadness" that the secret was finally out. Whatever, Mr Klein has the consolation of having made himself a very rich man. US hardback sales top 500,000, foreign rights are flowing in, and a film is on the way. *Primary Colors* is set to net at least \$6m. Mr Klein, the *Post* noted, bought a \$630,000 house in the New York suburbs in July 1995, putting up half that sum in cash. He also has three cars.

For their part, fanshine the consolation that Mr Klein's witty and racy political column is available every week in *Newsweek*, and that more is on the way. In a chirpy contribution to the *New York Times* book review a few weeks back, America's best-known unknown complained of suffering "post-traumatic stress disorder". But, he continued, "I am free to try my hand at this again. And believe me, I will."

Great works by Anon

- The first novel in English, Richardson's *Pamela*, was published anonymously. So was Fielding's *Tom Jones*, which became *Joseph Andrews*.
- Jane Austen published *Pride and Prejudice* and *Sense and Sensibility* anonymously.
- Dickens's *Pickwick Papers* was announced as "by Bob".
- Tom Brown's *Schoolboy Days* was first published "by an Old Boy".
- The Brontë sisters wrote under the pseudonyms of Currer, Ellis and Acton Bell.
- Benjamin Franklin used 57 pseudonyms. Voltaire topped that with 137.
- Sir Walter Scott published *Waverley* anonymously.

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CONTRACT WITH BRITAIN?

If 'fantasy' became fact, this could

A nightmare vision or a harmless leak? The report examined in detail

A Treasury document leaked yesterday outlines privatisation of huge parts of the welfare state. The report, *Strategic Considerations for the Treasury 2000 to 2005*, commissioned by Treasury Permanent Secretary Sir Terry Burns, borrows heavily from right-wing Republicanism in the United States.

If implemented it would lead to huge cuts in welfare: by extending private insurance to cover pensions, sickness and unemployment; reducing benefits for teenage mothers; time-limiting benefits; and reducing support for education over-16s.

Yesterday the Chancellor, Kenneth Clarke, dismissed the report as "fantasy", "cranky" and "a leak from some kids in the office, some juniors who were asked to go out and produce this as part of a management review".

In fact it was produced by grade seven civil servants, middle-ranking Treasury officials paid between £28,000 and £40,000 a year.

Challenged on the document later in the House, Mr Clarke said: "I have not asked the grade seven who wrote this what it was based on. I can only answer for the policy of the Government. All I can tell you is, it has got nothing to do with this Government."

Labour seized on the document, claiming it amounted to the Tories' secret agenda. Shadow Chancellor Gordon Brown came close to suggesting that

the document could be critical in the General Election campaign.

Shadow Social Security Secretary Chris Smith said at a news conference that a middle-aged couple would have to pay insurance policies of about £2,500 a year to replace welfare state protections.

And he claimed: "This document marks a defining difference between the present Tory Government, if it were to be re-elected for a fifth term, and the Labour party."

"What this document reveals is a vision from the Right... Even Margaret Thatcher never contemplated some of the measures which are included in this Treasury document."

Here we publish extracts from the document:

"Contract With Britain: A Smaller State ...

"Below we examine the key elements of the US programme, looking at how they might be implemented in the British context ...

"i) Reductions in entitlements to teenage mothers

"ii) Time limit benefits

"iii) Decentralise welfare spending ... to local government.

"Further proposals going beyond the Republican agenda.

"Privatising contributory



Whodunnit? Clarke and advisers – but did they know what the juniors were up to back at the office?

Rolling back the state: the how, where and why

NICHOLAS TIMMINS
Public Policy Editor

Some of the most radical welfare scenarios painted in the Treasury's document contain serious practical difficulties. Privatisation of the basic state pension and unemployment benefit have been examined by Peter Lilley, the Secretary of State for Social Security, but so far they have been ruled out.

Privatising the basic pension would, in Mr Lilley's words, create "a black hole" in the economy. "You have £25bn coming in from contributions and £25bn going out to pay existing pensions," he said. "If you let people put their contributions in private schemes you have to find £25bn from somewhere to pay for the existing scheme."

The privatisation of much of Serps (state earnings-related pension scheme) was possible because the scheme was a long way short of maturity when the

Government started to cut back its value and encourage people to leave it. It would be possible to phase out the basic pension by declaring that it would not be available for people under a certain age. That, however, would take decades to work through and those affected would be paying twice, once for their private provision and once for existing commitments.

Mr Lilley has been against privatising unemployment insurance. "Things are only suitable for private insurance if there is no negative correlation between the risk you are insuring against and people's incomes," he said. "If poor people have higher risks and have to pay higher premiums, it can't be done. You lose the cross-subsidy effect where you need it."

Even if private unemployment insurance were made compulsory and insurers were told that they had to take all risks, there would be serious difficulties preventing insurers marketing policies in such a way that they took on those people at the least risk of losing a job.

Similar difficulties of selectivity would face attempts to privatise incapacity benefits which cover long-term sickness - although much short-term sick pay has already been privatised by shifting the costs to employers.

Andrew Dilnot, director of the Institute of Fiscal Studies, argues that the basic pension is already being privatised through the policy of raising it only in line with prices, not earnings. Because of its falling value, relative to the living standards of those in work, 70 per cent of those in work now take out private provision for income in their old age.

Something similar, though less dramatic, is happening with sickness benefit. And even benefits for the unemployed are being privatised as claimants must now cover up to the first

nine months of mortgage interest payments themselves.

Other parts of the radical scenario include mirror images of the programme of United States Senate Majority Leader, Newt Gingrich, who wants to reduce entitlement for lone parents, set time limits on benefits, and decentralise welfare benefits to local authorities. The Treasury document notes, however, that the US plan "has not progressed as they hoped and in the more liberal culture [of the UK] would probably meet even greater resistance".

It also canvasses the possibility of pushing down responsibility for delivering health and social security for the disabled to local authority level.

None of this is yet government policy. But Conservative Central Office is known to be examining localisation of benefits as a policy for possible inclusion in the manifesto.

Also expected to form part of

the Tory manifesto are vouchers for post-16 education. The document is clear, according to the leaks, that "consideration is currently being given to reducing state support for post-16 education on the grounds that rising demand is 'unaffordable' and private returns to individuals and their employers exceed social returns". It says funding could be changed so individuals receive "vouchers, grants, loans and employer contributions".

Ms Goodman, in her late thirties, has worked for the Treasury for about 15 years, since graduating from Oxford. She lives with Charles Seaford, an economist who worked with Bryan Gould, the former Labour trade spokesman, and helped write *A Future for Socialism*, the book setting out Mr Gould's modernising agenda for Labour in 1989, and which provided the platform for his unsuccessful bid for the Labour leadership in



Peter Lilley: Has already looked at several of the options outlined in the report

1992. Mr Seaford is the publisher of *Prospect* magazine and once tried to buy the *New Statesman*.

The other team members, all at Grade 7 and below, are understood to be Fabis Jones, George Kyriacou and Anna Molloy.

According to Treasury officials, the document was produced by the strategy unit which operates beneath the Permanent Secretary, Sir Terence Burns. The unit runs the Treasury's internal budget and seminars and looks at longer-term demands on the Treasury's resources.

Treasury officials said that the document's aim was to look at the staffing and skills it would require under differing scenarios, which included not just the dramatic welfare restructuring which have made headlines, but a "no-change" scenario.

"None of the things in this document are proposals," the

Treasury said yesterday. "It is all about scenarios and what they would mean for the Treasury's staffing and skills if they were to happen. It is about what sort of Treasury staffing we would need."

Equally, the document's calculations that Britain will fall out of the first division of world economies, being overtaken by India, Brazil, Thailand and Brazil, with China the largest economic nation by 2015, was based on extrapolating from existing trends. "It does not make the judgement of whether that will happen," an official said.

Once produced, it was given a wide circulation within the Treasury for comment, which had already resulted in sections on Europe and the Treasury's internal values being leaked to the *Daily Mail* and the *Financial Times* ahead of yesterday's more comprehensive outing. The source of the leak is therefore unlikely to be traced.

Treasury kids who toy with the future

Squire Clarke vs Heathcliff Brown

The Chancellor increasingly reminds me of one of those liberal squires of 19th-century literature, usually played, in television adaptations, by Robert Hardy. Physically, with his luxuriant hair flopping down over his full face, and his jacket buttons straining at a generous midriff, he is the picture of robust health - an advertisement for the imbibing of port and the inhalation of tobacco.

In intellect, too, he is urbane, tolerant and enormously optimistic. And yesterday was supposed to be just another sunny day in the fertile dell that he inhabits, where it was time for a debate on the "summer economic statement". There he was in his salon, swapping parish tales with Canon Waldegrave until it was time to share the good news with those who wished to listen. We faced, he said, "an extremely attractive fu-

ture, as the economy enters its fifth year of expansion". Enlightened, sensible policies were responsible for the coming cornucopia.

If Kenneth Clarke inhabits a elegant (if slightly messy) manor house and surveys the fertile fields and well-ordered villages around with an emotion bordering upon complacency, his shadow - Gordon Brown - dwells in another land altogether. Brown has his abode upon the bleak moors, where he sees sights that the sleek Clarke would rather ignore: record low investment, actual falls in manufacturing output, two-headed lambs born to all the ewes in farmer Firkin's flock. Aye, and worst of all, while out a brooding Brown spotted a black hole at the heart of the government's finances.

This pessimism suits both Brown's political purpose, and



DAVID AARONOVITCH

his emerging character. With his wind-tossed locks, Armani model's jaw, curling lip and narrowing eyes, Brown needs only a pair of tight trousers and a tiny ponytail to become the troubled hero of economic debate - Heathcliff with an MBA.

In such wise did he come down off the storm-swept, barren hills and stand to accuse Squire Clarke of smugness and incompetence. And, worse, of harbouring intentions (as evidenced by the now famous leaked Treasury document) to

sell off roads, pensions and lots more besides.

Squire Clarke's method of dealing with Brown in Oliver mode is always the same. He invites him into the parlour, asks after his health, advises him to cool his passion and wonders whether he wouldn't like to slip out of his wet clothes. In short he patronises the man he almost always refers to as "Gordon". "I have to tell him," he said avuncularly at one point, "about interest rates. Those are the things that as Chancellor you occasionally have to raise ..."

But Mr Brown wasn't having any. His eyes flashed. What, he demanded repeatedly, about the documents' reference to a policy for privatising the roads? And would Mr Clarke "also deal with the point that a meeting is taking place today, between the heads of 10 of Britain's largest insurance com-

panies, at the Government's request, to discuss ways of their industry taking over responsibilities for the welfare state? What is going on?"

Now the squire was getting rattled. This was all a silly mistake, the result of a practical joke by some of the estate's stable lads. "It is not a policy document. It is not policy advice. It is written by a middle-ranking official in my department - grade seven - and the highest grade is grade one."

The House's guess was, that whatever the liberality of the Squire, this particular grade seven is destined never to see grade six. Particularly after the Squire's sly nephew (played by John Redwood) complimented him or her on starting a necessary debate. "Three cheers for the Treasury," he shouted. For a moment, Mr Clarke's affability appeared to desert him.

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SIGNIFICANT SHORTS

The National Lottery watchdog yesterday called for increased powers so he can fine the organiser Camelot if it breaches its licence. In the annual report of the lottery regulatory body, Peter Davis, the director general, says he can seek a court order requiring compliance with licence terms and in the last report can suspend or revoke a licence, but "there is a gap in the intermediate range of regulatory weapons to be deployed when necessary". He says he has asked the Department of National Heritage to consider legislation giving the director general the power to impose financial penalties for licence breaches.

Mr Davis said on BBC Radio 4 yesterday that Camelot should be doing more to tackle retailers who sell lottery tickets illegally to under-16s, and he wanted "a real disincentive to make sure [Camelot] takes these things seriously".

Ian Howarth, the only MP ever to defect from the Tories to Labour, continues his hunt for a safe seat after being rebuffed yesterday by Manchester Wythenshawe's constituency party. His latest possibility is Eccles, east Manchester, with a 14,000 Labour majority vacated by shadow Cabinet minister Joan Lester, who announced her retirement this week. *John Rentoul*

A boy, 13, charged with the murder of schoolgirl Jade Matthews, was remanded into secure local authority care for a week by South Sefton youth court in Bootle, Merseyside, yesterday. Jade, nine, disappeared after going out to play near her home in Bootle 10 days ago. Her battered body was found a mile and a half away on railway sidings early the next morning.

The Isle of Wight took a step towards possible devolution yesterday with a decision to conduct a poll among residents to test public opinion. Members of the island council's policy committee voted overwhelmingly for an "unofficial referendum", whereby 800 of the island's 125,000 residents would be asked if they support some form of devolution. *Jojo Moyes*

Judgment was reserved by the Court of Appeal on a challenge by five police officers to a judge's ruling that they were not entitled to damages for psychiatric stress injuries suffered after dealing with the dead and injured at the 1989 Hillsborough football stadium disaster. No date was set for the judgment.

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be life in the reign of King William

Is this leaked "Contract with Britain", composed in the Treasury, for real? Taken seriously, it provides one blueprint for radically reshaping the state and dramatically changing the lives of millions for better and worse. Its ideas would take decades to implement - reaching, perhaps, beyond the lifetime of Prince Charles and into the reign of his son.

That would require the defeat of post-war social democracy to con-

tinue in the decades ahead, with voters consistently choosing lower taxes in return for fewer services and a shrinking state. This is not impossible. The anti-statist trend emerged in Britain in the mid-Seventies, when thinkers such as Hayek influenced Margaret Thatcher and Sir Keith Joseph. Despite a backlash, it is running strongly in the US, it is making headway in Europe and it has been very influential in countries

The future could be bleak indeed, argues **Andrew Marr**

as diverse as Australia and Chile. So the Treasury officials' thinking is not any longer radical in itself. What they are doing is taking 20-year-old ideas on how to "roll back" the state and extending them further than the Thatcher and Major governments. Instead of selling off industries or utilities, they toy with the idea of privatising some of the 20th-

century state's core activities - parts of welfare, road transport, some higher education and the basic pension.

This would make millions of lives freer but riskier. For the talented, hard-working, prudent and lucky, it would mean lower taxes. That might attract more companies and generate new jobs. But for the people who

have relied on state support, including the old, the feckless, the ill and poorer families with children, it would make the future bleaker and less secure. To that extent, it is government by the winners, for the winners.

So how seriously should we take it? This is only a discussion document, produced by people who were

asked to produce different options. Only parts have been leaked. Parts may be impossible to carry out. But aggressive anti-statism is an agenda with widespread intellectual support on the right and it is being closely studied in many countries besides Britain.

It is not the Conservative manifesto for 1997. If it happens, it will be a long-term revolution, which would in some respects take Britain back sev-

eral centuries, to a country of turnpike roads, low taxes, less security and little state welfare. But self-evidently, it is not unthinkable. Nor, given the changes of the past 20 years, is it implausible either.

In that spirit, we have tried to imagine some of its possible effects on Britons living under this Treasury "contract" in the reign of King William V in the next decades' time... and one possible alternative to it.

Danny, just too clever by half

"Why did you have to be so bloody clever?" shouts Danny's father, stomping up and down the stairs. Poor old Danny Blake has won a place at Oxford and his parents are daunted at the cost.

The family already pays £500 a year to top up the voucher for Danny's younger sister's schooling. They simply hadn't budgeted for a university education - and Oxford, of all the ridiculous places! Fees there are a massive £4,000 a year, several thousand higher than the nearby John Moore's University.

"Consider it darling, please," pleads Danny's mother, "Moore's have two-year courses you know, as well - much cheaper than four at Oxford."

The Blakes had always known their son was bright. But somehow they had hoped he would work for a few years then go to college sponsored by Siemens or Nissan. Or perhaps he would study maths or com-



puting. With the prospect of a lucrative job in the City or in new technology he could have taken out a student loan to fund the lot.

Not Danny, however. The young Mr Blake has lost his heart to the classics, and only a traditional Oxford College will do. Usually Oxford undergraduates get good terms from the student-loan brokers - after all, Oxford still churns out extremely employable bright young things. But interest rates are very high for prospective arts students. After all, what will they do with the rest of their lives?

Most classics graduates struggle for the few remaining jobs in the low-paid, low-status civil service.

It brings a wry smile to Mr Blake's face as he contemplates that aspect of Danny's looming future. Those bright-spark Treasury "kids" back in the 1990s whom he still blames for his current penniless plight didn't quite anticipate the full implications of their vision for the slumped-down welfare state. As Whitehall downsized and the Treasury was left with no spending to monitor, many of those mandarins are out on the street. His wife is altogether more

stoical about life. "You're paying the price of your own choices, darling," she tells him. You would insist on using Danny's voucher to send him to a traditional school. It's hardly surprising he left chattering in Latin and Greek. We're better off than the Harrisons. Young Emily can't afford to go to college at all."

The Blake's Contract with Britain:
£400 less in taxes thanks to education cuts of £7bn. £500 more on top-ups for vouchers, and £4,000 in fees for university.

John, on the road to nowhere

Road rage is rather an understatement for John Benham's state of mind. As he staggers through the front door, after two hot, sweaty hours driving the 12 miles home from the office in Pontefract, he is raging at roads, raging at the road utilities, and above all raging at Leon Redwood, chief executive of the company that owns this stretch of the M62.

Yorkshire Roads plc, the offshoot of the Yorkshire super-utility company that supplies water and electricity intermittently to his house, are not popular locally. Several years spent avoiding the repairs to the tarmac, in order to keep up dividends to shareholders, have finally reached crisis point. The roads are now littered with cones, and traffic crawls along the M62 in single file. At home in Snaith, things aren't much better. The pavements in the cul-de-sac are crumbling, and there is still no sign of the long-



promised speed bumps for the street by the shops.

Now the Yorkshire Roads boss is on the radio, calling on drivers to ration their car use, especially during the rush hour, to ease pressure on busy lanes.

He has himself, he claims, avoided driving a car for three months during the cone-crisis. John Benham knows why. As he was climbing into his car in the office car park this evening, he noticed a helicopter landing on the pad across the road; the bright yellow logo of Yorkshire Roads gleamed from its door. Waiting for the rotor to stop

stood Mr Redwood's chauffeur. No wonder Leon Redwood doesn't bother driving. With the millions in bonuses and share options he awarded himself this year, he can afford a driver to take him through the jams.

It is little consolation to Mr Benham right now to remember that the cost of running his car is far less now than twenty years ago. Now that Vehicle Excise Duty has been abolished, he pays his annual charge to Yorkshire Roads, and any other travel is billed through an electronic card on his dashboard. But the frustration and

pollution he endures is a high cost to pay for the extra fifty pounds in his pocket.

Nor is John Benham soothed by the fact that a few new gleaming toll roads have been built to sweep traffic from the Channel Tunnel to the big industrial centres in Wales and Tyne-side. He doesn't want to go to Wales or Tyne-side, he just wants to get home from work.

John Benham's Contract with Britain:
£140 less in car tax, £90 more in road charges and tolls, and hours and hours of stress.

Laura, the wealth creator

Laura is so relieved that the daily assault on her eardrums from loud Americans is finally over. After ten years living in the US earning a huge salary as a consultant, she has decided she'll be better off back at home in Bristol.

Income tax is only 20 per cent, and National Insurance Contributions have been abolished altogether, so Laura on her £150,000 income has tens of thousands of pounds more to spend each year than in the old quasi-socialist 1990s. That kind of cash makes a difference to entrepreneurial moneymakers like Laura. She and her international friends are flocking into Britain in their thousands.

Laura's American friends are extremely suspicious when they discover that her taxes are lower than in the US. "It's because we don't spend all that money on defence," she explains. Since Britain slid down the international pecking order,



just as those Treasury mandarins predicted, the Government has been able to cut back foreign peace-keeping operations, leaving everything to the Japanese and the Germans.

Laura has brought with her countless employment opportunities, too. Now that she no longer has to pay National Insurance Contributions for her employees, she has just decided to take on an English butler to join her personal staff of four. Employment in service is booming, and unemployment in Britain hasn't been so low for decades. She finds it slightly ir-

ritating that her secretary always looks so tired, and suspects her of moonlighting in the local pub. Still, she reflects, at least there are job opportunities aplenty to keep the poor off the streets.

As a healthy 31-year-old with immense earning power, Laura pays low premiums on her private health and unemployment insurance. And now that she no longer has to subsidise social insurance for everyone else through her taxes, she is substantially better off. Moreover she prefers having the choice and flexibility in the

kind of insurance she takes out. Laura is a health freak, and an impatient one at that. The prospect of waiting in a grubby NHS waiting room full of other ill people just to see her GP horrifies her. So she is quite happy to pay the extra for the luxury option - especially so because she can see exactly how her premiums are spent.

Laura's Contract with Britain:
More than £20,000 less in tax, £3,000 more in private insurance, £2,000 less in NI Contributions for her employees.

Zoe, fighting battle of the bulge

Harry has been growing suspicious for a while now. True, his PA Zoe had always had a taste for cream cakes. But could she really have put on so much weight through over-eating in the past six months?

Now Harry isn't a hard man, but he does have a business to run. As he glances surreptitiously at her bulging tummy, he wonders whether it's time to start recruiting Zoe's permanent replacement. If she does turn out to be pregnant, there is absolutely no way he can afford to give her maternity pay. "Still," he tells himself, "it probably won't come to that. She'll take a few weeks off, then be back at work slightly more tired than usual, just like all the others."

Since statutory maternity pay, alongside unemployment benefit and incapacity benefit have all been abolished, employees are desperate to stay at work under all circumstances.



Unemployment is an appalling prospect as you end up having to plead with the state for some of the few remaining and stigmatised means-tested benefits.

Zoe, who is indeed pregnant, is terrified of losing her job. She is stuffing her face to pretend she is just getting fat. Her husband is unemployed and they have missed payments on their health insurance and their mortgage insurance in the past few months. They can't get unemployment insurance at all - they have both changed jobs and lost jobs too many times. What will happen if she has expensive

complications during childbirth? She doesn't know. Without her current job, she fears they will lose the house too.

At least, she reassures herself, she is twenty-three and married. Were she a single teenage mother, she wouldn't even qualify for means-tested benefits.

As she contemplates her baby's future in this uncertain world, she thinks back to her own childhood. The memory of that night in July 1996 when her father came home from work grinning mischievously haunts her again. "I've given it to the Times," she remembers him

telling her mother. "You remember that secret document we were preparing for Terry Burns? The one where we listed every loopy thing we thought the Conservatives might want to do. It will be in tomorrow's papers. That'll really make fools of them."

Zoe bites into another jam doughnut. If only her father had known.

Zoe's Contract with Britain:
£1,000 less in NICs, £800 more in pension payments, £600 to cover sickness and mortgage insurance.

Alternatively, if the levellers held sway ...

Or, of course, it could turn out very differently. It is possible that Britain stands today at the end of the right-wing era which began in the Seventies and is about to return to an era when taxes are relatively high and the state reclaims many of its old functions.

Perhaps there will be no King William V, because by then Scot-

land will be independent and England will have declared herself a federal European republic. The aged and now-corpulent Will Hutton, a former left-wing scribbler and editor, will be Life President, presiding over a land of compulsory higher education, higher pensions and higher income taxation. In that country, the effusions of

Treasury officials back in 1996 will be regarded as a historical oddity, a last outbreak of radical mania. The former chancellor Kenneth Clarke will be regarded as the most interesting Conservative thinker of our era and the pound sterling will be a folk-memory.

The executive country homes of the Thatcher era will have been

broken up into flats. Any school-leavers who fail to get jobs in private companies will be taken on by one of the great renationalised corporations, such as British Telecommunications, or the BBC.

There will be no beggars on the streets, and no expensive motorcars on the roads: trains, municipal trolley buses and high petrol

taxes have long since cleared the country of Jaguars, Porsches and Mercedes. In South Yorkshire, coal is being mined once again and the annual conference of Trades Union Congress is reported at length on the front pages of most newspapers - none of which are owned by foreign magnates.

All British children will be ex-

pected to go to university; money will be tight for them, but there is plenty of cheap subsidised food, thanks to the warm climate. A minimum income and generous pensions ensure that older Britons do not suffer serious want. On the other hand, no one is permitted to earn more than twice the average wage, or to inherit prop-

erty of more than token value. Sometimes we look enviously abroad at the decadent, extravagant Germans, or the arrogant new world powers such as Thailand, which has recently taken our seat on the United Nations Security Council. We live in a less glamorous country, but a safer one. And on the whole we prefer it that way.

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No mean feet – Ireland's record-breaking dance troupe leave their stamp on Edinburgh



350th performance: Riverdance – The Show, already seen by 1.2 million people, features on GMTV tonight. The show, which was developed by producer Moya Doherty after the 1994 Eurovision Song Contest, has been shown in Dublin, London and New York, will have a seven-week Scottish season at the Playhouse Theatre, Edinburgh, next February
Photograph: Jeremy Sutton-Hobbs

Portillo faces £70m bill for lavish HQ alterations

CHRIS BLACKHURST
Westminster Correspondent

Michael Portillo, the Defence Secretary, has been hit by an embarrassing £70m demand for compensation from contractors working on the new £254m office complex for the MoD's equipment procurement executive at Abbey Wood, near Bristol. The building, the largest office block in Western Europe, has already raised eyebrows for the luxury of its facilities. Now 12 companies, led by John Mowlem, say they are owed the money because ministry officials kept altering the design brief.

Abbey Wood, which will be opened by the Queen on Friday, is also attracting criticism from servicemen and their families ordered to move there. Unlike civil servants relocated to Bristol from London, they have not received £20,000 allowances to cover removal expenses.

Known locally as The Pentagon and by its planners as Sim – as in SimCity, the computer game – the vast complex, built of Portland stone with indoor

streets finished in Northumbrian slate, will house 4,400 members of the procurement executive by the end of this year.

Covering 98 acres, the site includes an ornamental lake, 5,000 trees, 28,000 shrubs, 230 bathrooms, 26 lifts, a specially-built railway station, a 100-pupil nursery, an Italian suspension bridge and glass-covered walkways. When the mandarins are not assessing new defence equipment or placing orders, they can unwind in the cinema, sports centre or swimming pool.

Civil service unions have attacked the lavishness of the design, completed, they said, at the expense of redundancies. The MoD has justified the expense, saying that having the executive under one roof should eventually save £100m a year.

The demand from the contractors for an extra £67m, on top of the £254m budget, casts a shadow over those trumpeted figures. Mowlem is understood to be arguing that while it was charged with overseeing the design and building work, it was not responsible for

changes along the way. Some variations had been made by the contractors themselves.

A senior executive at one of the firms involved said there had been hundreds of alterations. "We say, 'you asked for things not in the original design'. The MoD says, 'no'. The problems are immense. Mowlem is trying to seek an accommodation. It's a messy business."

Mowlem said it was bound by client confidentiality clauses and could not comment. Andrew Gay, the head of Drake and Scull, the mechanical engineer, and another firm involved with the building, also refused to discuss the dispute. But Mr Gay said he "hoped for a negotiated outcome".

A spokeswoman for the MoD at Abbey Wood, said: "Mowlem was responsible for the detailed design of the project. The MoD operated a tight change control procedure and that has been followed rigorously." She said that while no legal proceedings were yet under way, they were in discussion with Mowlem.

Labour backs managers against Tube strikers

BARRIE CLEMENT
Labour Editor

The Labour leadership yesterday took the highly unusual step of siding with the London Underground management over a 24-hour strike which will bring the system to a virtual standstill for the first time in seven years.

Asked about the prospect of a summer of conflict on the Tube network, David Blunkett, Labour spokesman on education and employment, declared his backing for the intervention of an independent arbiter – a suggestion made last week by London Underground. He said: "We are in favour of that arbitration being binding and we think it inappropriate for the dispute to continue in the light of our proposal."

Last week the management suggested that the conflict should be referred to the industry's wages board, which

uses an arbitration process to settle disputes.

Last night union leaders were taken aback by Mr Blunkett's comments and some left-wing drivers' representatives said it was part of a continuing campaign by the Labour Party to capture voters in the South-east.

Travellers in London today face the most chaotic day of the summer as the two main Tube unions join forces in strike action. Unlike the previous 24-hour stoppages, drivers belonging to the Rail, Maritime and Transport workers' union are to walk out as well as their colleagues in Aslef. At best, only a few shuttle services will run in the capital and severe traffic jams are expected on the roads.

Attempts to resolve the dispute ended in deadlock early yesterday and it seemed as if both sides were as far apart as ever in the argument over working hours. Another 24-hour strike has been called for next



David Blunkett: In favour of binding arbitration

Thursday and then the unions plan to hold one a week until September.

Ann Burfitt, head of human resources at London Underground, said last night that in negotiations she was faced by "12 angry men wagging their fingers at me". She said that everyone

would lose from the dispute: management, customers and the drivers who stand to forego more than £1,000 each during the campaign of industrial action.

She insisted that the deal on offer was the best possible under the circumstances. It is understood that during the talks, the Underground management put forward a proposal for a two-year deal which would avoid what has become annual disruption to the Tube service.

The management claimed that they had been presented with a new set of demands during the most recent talks, including calls for further reductions in the working week.

The dispute with both unions centres on a fundamental disagreement over the meaning of a statement which settled a dispute last year linking a 37½-hour week with improved performance. Unions argue that productivity has improved over the 12 months since the deal was

signed, but management argues that fresh efficiency measures must be agreed.

Jimmy Knapp, general secretary of the RMT, said the company was not prepared to honour its "commitment" of cutting an hour off the working week and accused London Underground of working to a political, rather than an industry agenda.

More than 130,000 workers at Royal Mail stage their third 24-hour stoppage today amid mounting speculation that the Conservatives may include privatisation of the postal services in their election manifesto. Ministers yesterday refused to rule out a sell-off as the Communication Workers' Union pressed ahead with an escalating campaign of industrial action in protest at management's plans to improve efficiency. A 36-hour strike beginning on 26 July, a 48-hour stoppage on 31 July and another 24-hour walk-out on 6 August are planned.

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Pigeon publicity stunt ruffles welfare groups

STEVE LODGE

Animal welfare groups yesterday criticised a public relations stunt on behalf of an insurance company which involved sending live pigeons by courier.

Financial journalists, despite being accustomed to the freebies and trippery proffered by the financial community and their public relations companies, were bemused and horrified yesterday to be sent live pigeons – in cardboard boxes by courier.

The 77 pigeons sent out were aimed at promoting the launch of an obscure financial product by Scottish Life International, an insurer.

Accompanying the pigeons were letters asking the financial journalists to let the birds go – they were homing pigeons.

But wildlife charities and pressure groups expressed outrage at the promotion and the Royal Society for the Prevention of Cruelty to Animals raised the possibility of a private prosecution for the "totally irresponsible stunt".

The birds had been in the boxes without food or water overnight before being delivered yesterday morning, according to Clarendon, the PR firm behind the stunt. Some birds had laid eggs in their carrying boxes.

Even pigeon fanciers had doubts. Beatrice Penn of the Royal Pigeon Racing Association said: "I can't understand why a responsible organisation would send live birds to people without asking them first if they wanted them."

The RSPCA said it is a requirement under the 1911 Protection of Animals Act that people being sent live animals are made aware they are going to receive them. Convictions under the Act for causing "unnecessary suffering" carry maximum fines of £5,000 or six months in prison.

Clarendon's James McDonald said the company had called all organisations before sending the pigeons. He said it had followed professional advice, renting the birds from pigeon fanciers in Brentford, Middlesex (15 minutes by pigeon from London newspaper offices) and using established couriers with a special box for overnight transportation.

This is thought to be the first PR stunt in Britain with live animals. Some years ago a leisure firm is said to have sent similarly outraged South African journalists rabbits dyed in pink and yellow – the promoter's corporate colours.

It is not known if any of the pigeons got loose in offices, but some journalists were loathe to touch them after being warned the birds were "rats with wings" – with their reputation for being carriers of disease.

Mr McDonald justified the "bold" campaign, saying: "How many companies are there selling financial products? You want to be noticed."

This is not the first time Scottish Life International's marketing director, John Allison – who claims to be a pigeon fancier himself – has seen the censuring of promotions he has been associated with.

In 1994 Life Association of Scotland was fined £10,000 for alarmist advertising about pensions that made what were considered misleading references to the Maxwell scandal. Mr Allison was LAS's marketing boss.

Lilian Langley, a veteran fancier, who rented birds for the promotion, said: "People say it's cruel. But they don't have to come home – they must be contented to come home."

However, last night six pigeons were still awaited – including two of Mrs Langley's.



Special delivery: Bewildered pigeon before flying home

DAILY POEM

The Way through the Woods
By Rudyard Kipling

They shut the way through the woods
Seventy years ago.
Weather and rain have undone it again,
And now you would never know
There was once a road through the woods
Before they planted the trees.
It is underneath the coppice and heath,
And the thin anemones,
Only the keeper sees
That, where the ring-dove broods,
And the badgers roll at ease,
There was once a road through the woods.

Yet, if you enter the woods
Of a summer evening late,
When the night-air cools on the trout-ringed pools
Where the otter whistles his mate,
(They fear not men in the woods,
Because they see so few)
You will hear the beat of a horse's feet,
And the swish of a skirt in the dew,
Steadily cantering through
The misty solitudes,
As though they perfectly knew
The old lost road through the woods ...
But there is no road through the woods.

Kipling's interest in the supernatural emerged in his poetry and stories in the last phase of his writing career, when he and his American wife Carrie were living at Bateman's in East Sussex. He wrote his first ghost story, "They", in 1904. *Puck of the Fens*, a collection of stories and verse suffused with supernatural elements, appeared in 1906, this poem amongst them. Gone was the formalised balladic style of his earlier verse and the stolid moral tone of "If". In its place came lyric poetry of some merit, which seems to have acted as a release for Kipling.

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Britain's biggest shop site for Kent

JOJO MOYES

One of the largest shopping and leisure complexes in Europe is to be built in Kent, and will create nearly 14,000 temporary and permanent jobs, the Deputy Prime Minister, Michael Heseltine, announced yesterday.

The £700 million Bluewater development in north-west Kent is the biggest construction project in the country and will inject £200 million into the local economy. There will be 275 shops at the centre when it opens in 1999, including leading chains Marks & Spencer, House of Fraser, Boots and WH Smith.

The development will create 6,800 long-term jobs and another 7,000 during construction. Most of the 6,800 jobs will be in retail outlets and 2,000 will be in maintenance, administration and security.

The MetroCentre in Gateshead, the largest shopping and leisure centre in Europe, occupies 2.2 million square feet and employs 6,000 people in 350 retail outlets.

The scheme's developers - the Australian property giant Lend Lease and the cement and central heating conglomerate Blue Circle Industries - said they were committed to employing local people. The area is in the heart of the Thames Gateway, the zone designated by the Government for riverside regeneration from east London to Sheerness.

"The Thames Gateway is no longer the back doorstep of London, with Heathrow and the west at the front. It is rapidly becoming the front doorstep with East Thames Corridor and the Channel Tunnel," Mr Heseltine said yesterday. He described the Bluewater scheme as a "classic example" of regenerating land previously used for industry.

The 1.6 million-sq-ft site will cost £350m to construct. Almost 10 million people live within an hour of the site, which is close to the M25. Jobcentres at Dartford, Gravesend and at the Bluewater site have already started helping local people to find jobs, during or after construction.

The site is near the planned

One-stop shopping

MetroCentre at Gateshead
Site: 2.2 million square feet
Employs: 6,000 people
Shops: 350
Visitors last year: 28 million.

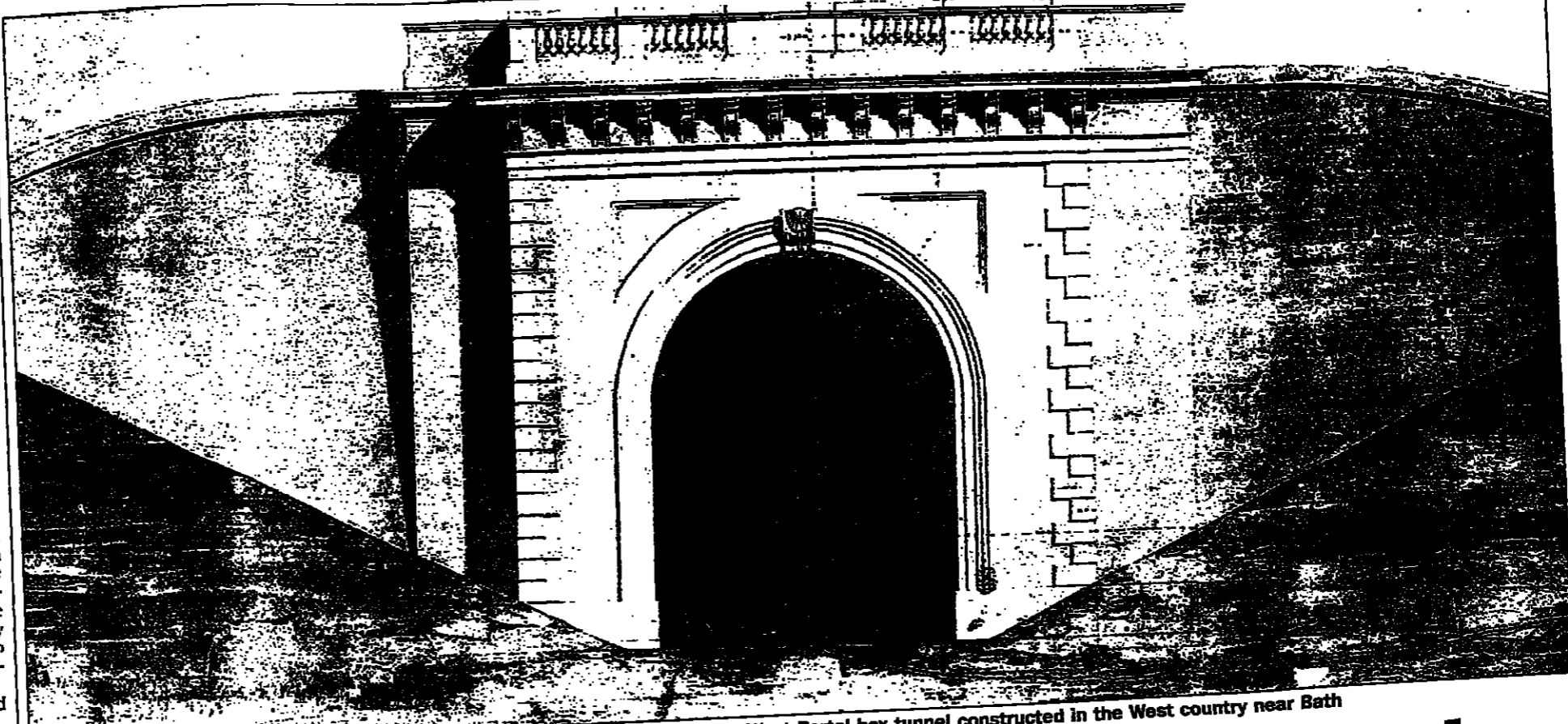
Merry Hill Centre at Dudley
Site: 1.9 million square feet (may increase by a further 180,000sqft subject to planning permission)
Employs: 4,000 people
Shops: 260
Visitors last year: 25 million.

Meadowhall Centre in Sheffield
Site: 1.5 million square feet
Employs: 4,700 seasonally
Shops: 280
Visitors last year: 30 million.

Lakeside Shopping Centre, Thurrock
Site: 1.3 million square feet
Employs: 3,500 people
Shops: 320
Visitors last year: 22 million.

Effect railway station, on the Channel Tunnel rail link due to open in 2002.

It is estimated that Bluewater will attract 30 million site visitors and £55m a year to the area. A Dartford Borough Council spokesman said: "A few years ago this quarry was going to be the biggest landfill site in Europe. Now we will have this wonderful new development which will bring people from miles around, even from Europe."



Victorian accomplishment: Isambard Kingdom Brunel's drawing for the massive West Portal box tunnel constructed in the West country near Bath

Brunel's railway age drawings reveal genius for steam, steel and stone



Isambard Kingdom Brunel: He made several thousand technical drawings for his engineering designs

A collection of limited edition prints of original technical drawings by the inventor and engineer, Isambard Kingdom Brunel, was presented to the public yesterday at Paddington station. Railtrack's Great Western section hopes the 6,000 colour prints featuring some of the finest railway constructions of Victorian times, will in time become collectors' items.

Brunel, who died in his Fifties in 1859, was known as the father of the Great Western Railway and acclaimed for his engineering feats in developing steam-powered ships as well as railways and bridges. He made several thousand technical drawings. Railtrack believes his pen and watercolour designs will attract art-lovers as well as engineering enthusiasts.

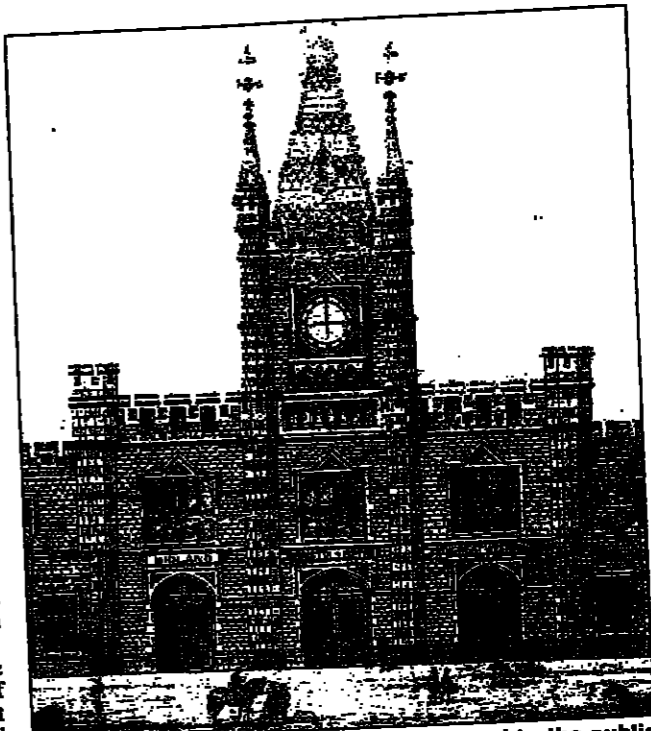
The first prints on sale feature the Royal Albert Bridge at Saltash, near Plymouth, the West Portal at Box Tunnel, near Bath, Dorchester Road station in Culham, Oxfordshire, Bath station, and the timber viaduct for the Devon and Tavi-

stock railway. The print collection also includes a drawing of the station building at Bristol Temple Meads which was done by Brunel's friend Matthew Digby Wyatt, who helped in the construction of Paddington station during 1854.

Brunel's great-grandson Peter Noble, 67, an international wine consultant, was present at the launch, and said he was "absolutely delighted" to see that the collection had at last been assembled. "I inherited some of the drawings but I live in a small cottage and I could not cope with sitting on a national heritage like that."

Mr Noble said he thought Brunel, who initially set out to establish a transport route from London to New York, would have had conflicting views on how the railway system is run in Britain today.

He said: "Brunel would have done his nut at the break-up of the railway system, but at least the South Wales section is still called the Great Western Railway."



One of the limited edition prints presented to the public yesterday at Paddington station

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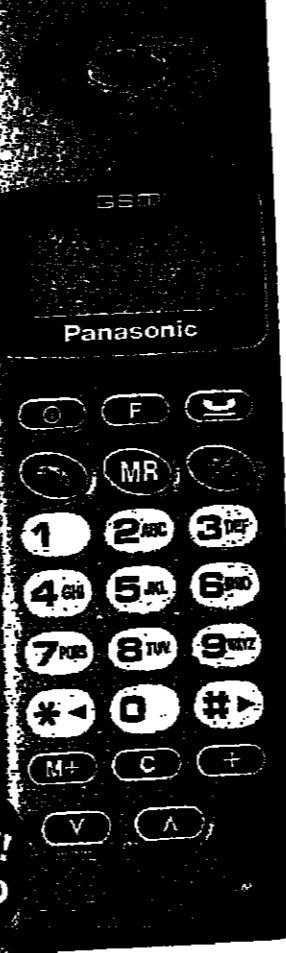
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news

Watered down Scott for sale on CD-Rom

CHRIS BLANCHURST
Westminster Correspondent

Written evidence showing attempts by former and current Government ministers to water down criticism of their in the Scott arms to Iraq report will not be publicly available until 2026 at the earliest.

Much of the evidence to the 39-month inquiry into what Whitehall knew about exports

of defence equipment to Iraq, is published today. But the two CD-Rom disks to be issued by this afternoon – the first time CD-Rom has been used for an official inquiry – will not contain the most sensitive material. The pair of disks will cost £150 plus VAT compared with the report, published last February, priced at £45.

Not included in the 30,000 pages on the disks is correspondence between Sir Richard

Scott and current and former ministers following release of his draft report, and most of the evidence from the security services. Opposition politicians anxious to score points against William Waldegrave, the Chief Secretary to the Treasury, who was criticised in the draft but not in the final version, will be disappointed since correspondence from him and his lawyers

is in the excluded material.

Also excluded are the exchanges over the draft report between Sir Richard and Lord Howe, the former Foreign Secretary and Sir Nicholas Lyell, the Attorney-General. Lord Howe kept up a behind-the-scenes running dialogue with Sir Richard over the legal parameters of his probe.

Other former and current ministers and senior civil ser-

vants retained City law firms to make representations on their behalf with Sir Richard. Those papers will be consigned to the Public Records Office at Kew and will come within the rule that bars inspection of government documents for 30 years.

Part of the most keenly-awaited evidence on the disks is the written evidence of Sir Charles Powell, Lady Thatcher's former private secretary when

she was at Downing Street. Sir Charles was the most notable of those not summoned to a public quizzing by Sir Richard and Presley Baxendale QC, the inquiry's counsel.

In letters to Sir Richard, the former private secretary is expected to have tried to explain an apparent contradiction between a brief in which he said that the Prime Minister "will wish to be kept very closely in

touch at every stage and consulted on all relevant decisions", and Lady Thatcher's insistence to the inquiry that she could not recall seeing any proposals for introducing a more liberal trade policy towards Iraq.

It should also be possible to judge from the CD-Rom which witnesses needed to be persuaded to give evidence. Requests from Sir Richard for

assistance will be included on the disks.

From tomorrow, the inquiry team will begin packing up. The senior figures have already moved on. Sir Richard is devoted full-time to his role as Vice-Chancellor. Ms Baxendale is back at the Bar and Christopher Mumukumar, the inquiry's redoubtable secretary, is one of two deputies in the Ministry of Defence's legal department.

Botham names price of South Africa tour

CLARE GARNER

Ian Botham admitted in the High Court yesterday that he demanded £500,000 tax-free to tour South Africa in 1989. The former England all-rounder also wanted proper compensation for any contracts and endorsements he might lose because of the venture.

"It's quite obvious you had no objection to going to South Africa if the money was right," suggested George Carman QC, counsel for the former Pakistani skipper Imran Khan, who is being sued by Botham and his former England teammate Alan Lamb over allegations of racism.

"No, it says quite clearly in my autobiography that I ended up saying no because I changed my mind," Botham said. "You won't find any reference to finance. Race was the reason at the end of the day why I didn't go."

Botham told Mr Justice French and the jury that he listened to the invitation by the South African Cricket Board "out of pique or spite" because he was not included in England's team for the winter tour of the West Indies.

Botham and Lamb claim that Imran launched an "offensive personal attack" on them in an *India Today* magazine article that called them racist, uneducated and lacking class and upbringing.

Botham alone is suing Imran over a May 1994 story in *The Sun*, which, he says, accused him of ball-tampering – something he had never done in his career.

Imran, who denies libel, says



Pitch battles: Imran Khan (above) and Ian Botham



his words were taken out of context and that he was only trying to defend himself.

Mr Carman questioned Botham for 45 minutes. He argued that the plaintiff's anti-racist sentiments were not as strong as he had made out to the jury the previous day.

Mr Carman went on to accuse Botham of being a cheat.

Reading from Law Eight of the Laws of Cricket, Mr Carman said: "The bowling of fast short-pitched balls is unfair if in the opinion of the umpire at the bowler's end it constitutes an attempt to intimidate the cricketer." He explained how, in such an instance, the bowler would be cautioned by the umpire. Botham denied that this was cheating.

Mr Carman pressed him: "That's what it says in the rules." Botham replied: "This rule was written in for over use of short bowling ... It does say in the plural – 'balls'."

Mr Carman repeated his point: "If a bowler is cautioned for intimidatory bowling, would you say that the bowler has been cheating because he intimidated the batsman?"

Botham replied abruptly: "No, sir."

Mr Carman paused and then said thoughtfully: "Ah, you wouldn't. Is that because you've been cautioned yourself?" Botham replied: "I think there aren't many quick bowlers who haven't, sir."

Mr Carman picked up the pace. "Do you say that a breach of Law Eight is not cheating at cricket?" Botham replied: "If you break the rules in any sport you're cheating sir, yes."

Again Mr Carman maintained his line and Botham qualified his answer.

"If you continue to break Law Eight you will not continue to bowl in the match ... Of course you are [cheating], sir, because then you're not allowed to bowl any longer."

The case continues today.



Clearly the best: Nick Dolan, keeper at the Sunderland Museum, Tyne and Wear, with the glass horse's head by Lalique on loan from the Queen. The head is one of 200 Art Deco and Art Nouveau items on show in the Art of Glass exhibition. Photograph: Andy Lamb/Newstream.



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edited by David Lister

Children's author accuses novelists of losing the plot

DAVID LISTER

The winner of Britain's premier children's book award broke with literary convention yesterday when he used his acceptance speech to denounce fellow authors.

Philip Pullman won the Carnegie Medal, nicknamed the Booker of the Playground, for his fantasy, *Northern Lights*, the first book in a trilogy inspired by *Paradise Lost*. In his acceptance speech, he ridiculed Booker prize-winner A S Byatt's latest novel in particular, and castigated contemporary novelists in general.

Receiving the award from Rabbi Julia Neuberger in London yesterday, Mr Pullman said he could only have told such a vast story and dealt with such large themes in the form of a children's book.

"In adult literary fiction, stories are there on sufferance," he said. "Other things are felt to be more important - technique, style, literary knowingness. The present day would-be George Eliots take up their stories as if with a pair of tongs. They're embarrassed by them. If they could write novels without stories in

them, they would. Sometimes they do.

"But stories are vital. There's more wisdom in a story than in volumes of philosophy, and there's a hunger for stories in all of us. Children know they need them, and go for them with passion, but all of us adults need them too. All of us, that is, except those limp and jaded people who think they're too grown-up to need them.

"What characterises the best of children's authors is that they know how important the stories are, and they know that if you start telling a story you've got to carry on till you get to the end. And you can't provide two ends, either, and invite the reader to choose between them. Or, as in a highly praised novel I'm about to stop reading, three different beginnings. Can't she make up her mind?"

Prize officials confirmed afterwards that Mr Pullman was referring to A S Byatt, and her new book, *The Tower of Babel*.

The Carnegie Medal was first awarded to Arthur Ransome in 1936. Philip Pullman, a former teacher, who writes in

a shed at the bottom of his garden, says of his new book: "I wanted to say everything I know about the really big things in life, and was inspired by the majesty of the images in *Paradise Lost*. Children's books are the only place where really great writing can happen these days, so it had to be a children's book."

Mr Pullman's win highlights the problem many British authors feel of books being pigeonholed into the children's market, and then being ignored by adults. In America, *Northern Lights* has been marketed as an adult book and has been given a print run of 100,000.

Linda Saunders, of the Youth Libraries Group, which selects the winners, said: "A 399-page book inspired by *Paradise Lost* is not perhaps the most natural choice for a children's book prize."

But Pullman's magnificent, archetypal storytelling is a life-enhancing challenge to young readers. There's an enigmatic intensity to the book, which has scene after scene of power and beauty."

Leading article, page 15
Section Two, page 13



Rainbow warrior: The Papua New Guinea artist Mathias Kauage in full tribal 'gerua', or family colours. Kauage, whose art draws on the culture of the Chimbu people, is exhibiting (on canvas) at the Rebecca Hossack Gallery in central London until 3 August. Photograph: Andrew Buurman

Welsh say 'racist' Booker judge must go

MARIANNE MACDONALD
Arts Correspondent

An unexpected literary feud is taking shape following a demand from the Welsh Academy that the Booker judge A N Wilson be sacked from this year's panel on the grounds that he is an "out-and-out racist".

The Academy represents some 1,500 writers including Bernard Rubens, who won the Booker prize in 1970 and Andrew Davies, who wrote the recent BBC adaptation of *Pride and Prejudice*.

In a letter to the award's long-time organiser, Maryn Goff, the academy registered a formal complaint and requested Mr Wilson, literary editor of the

London *Evening Standard*, be dropped from the five-strong judging panel chaired by the founder of the publishers Virago, Carmen Callil.

"One of your judges, A N Wilson, is well known for his strident anti-Welsh views," the letter warned. "His ill-informed opinions include the following from the *Evening Standard* on 6 March 1993: 'The Welsh have never made any significant contribution to any branch of knowledge, culture or entertainment... They have no architecture, no gastronomic tradition, and since the Middle Ages, no literature worthy of the name.'"

Noting that the Booker was Britain's best-known literary

award, it continued: "It does you no favours to include an out-and-out racist on the 1996 panel. Indeed, such a state of affairs should not be tolerated in a civilised society. We therefore ask that A N Wilson be removed from this year's panel of judges."

Kevin Thomas, director of the Welsh Academy, said it had taken such a firm line because A N Wilson's comments were indicative of anti-Welsh prejudice, not because it feared Wilson would discriminate against novels submitted for the Booker by Welsh authors.

Had Wilson directed his comments at black people, he would not have been asked

onto the panel in the first place, Mr Thomas argued.

"It seems to be acceptable to say these things about Welsh people. They are characteristic of a certain type of Oxbridge intellectual. We feel the Welsh are the last group that it is acceptable to be racist about and this is a particularly strong example of that."

There was growing anger in Wales about the use of the verb "to welsh", meaning "to swindle", Mr Thomas added, linked to a growing confidence in Wales and Welshness. "Yet Wilson described the Welsh as dingy, sly and untalented."

Mr Goff, however, is unmoved by the Welsh Academy's argument. "It's unbelievable, I

think. They said, 'This is racism, will you push him off your panel'. But really, the private views of our judges are not our concern in any way," he reported.

"Any minority thing is their own business and not ours. A N Wilson is there to stay - absolutely. There could be a hundred reasons for removing him, but this is not one of them."

Mr Wilson was oblivious to the storm he had caused yesterday, as he was driving to Cornwall for a two-week holiday. This year's Booker Prize will be awarded on 29 October.

Our reference to the film *Staff Upper Lips* on yesterday's page was in error. In fact, it is not due to come out until late this year or early next year.

Opening Of Northern Lights

Lyra and her daemon moved through the darkening Hall, taking care to keep to one side, out of sight of the kitchen. The three great tables that ran the length of the Hall were laid already, the silver and the glass catching what little light there was, and the long benches were pulled out ready for the guests. Portraits of former Masters hung high up in the gloom along the walls. Lyra reached the dais and looked back at the open kitchen door and, seeing no one, stepped up beside the high table. The places here were laid with gold, not silver, and the fourteen seats were not oak benches but mahogany chairs with velvet cushions.

Lyra stopped beside the Master's chair and flicked the biggest glass gently with a fingernail. The sound rang clearly through the Hall.

"You're not taking this seriously," whispered her daemon. "Behave yourself. Her daemon's name was Pantalaimon, and he was currently in the form of a moth, a dark brown one seen not to show up in the darkness of the Hall."



"They're making too much noise to hear from the kitchen," Lyra whispered back. "And the Steward doesn't come in till the first bell. Stay hushing."

But she put her palm over the ringing crystal anyway, and Pantalaimon fluttered ahead through the slightly open door of the Retiring Room at the other end of the dais. After a moment he appeared again.

"There's no one there," he whispered. "But we must be quick."

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Archer is brought to book by his peers

Seventy-six Conservative, 50 Labour and three Liberal Democrat MPs replied to Dillon's first "Books in the House" survey. They voted Alexander Solzhenitsyn best living author.



Photograph: Edward Sykes

SDLP offer hope for peace after Ulster violence

Irish ministers will travel to London for talks with British ministers today to underline the

Dublin and London will seek to accelerate the cross-party talks on to substantive issues but there is no prospect of Sinn Féin being allowed in until the IRA resumes its ceasefire.

source Sir Hugh has no intention of resigning despite the barrage of criticism. But he is also expected to come under fierce cross-examination by the Irish government at the Anglo-Irish conference.

New Lord Chief Justice enters fray on judges

But he insisted last night that judges would "also, when the need arises, contribute to the organic, incremental development of ... the law."



He also called on the Government to ensure implementation of the civil justice reforms due to be unveiled by Lord Woolf, the Master of the Rolls, next Friday.

Lilley gets tough on benefit claims

A study of the benefit, which involves 4 million claims a year and costs £1.7bn to administer, has shown it involves 300 steps, only a third of which are computerised. It uses over 250 forms and takes five days and up to five members of staff to process a claim. Yet they spend only 29 minutes working on it.

The "radical redesign" should cut the number of steps to 100 and make the process largely paper-free, Mr Lilley said, with the main checks for errors to be made at the beginning, not, as now, at the end.

A third of the time is spent chasing information from the customer, he said, so "we will

The redness of how income support is delivered – to be followed by similar reviews of all the major benefits – is part of Mr Lilley's plans to improve the department's efficiency by 25 per cent over three years. His programme expected to cut its 96,000 staff by 20,000 by 1998.

Streamlining the process should improve accuracy and reduce large losses from overpayments, he said, as the annual report from the Chief Adjudication Officer has shown wide levels of accuracy in benefit payments. In fewer than 60 per cent of income support cases did the Benefits Agency produce the right decision and payment

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Journey to centre of earth puts a gloss on geology

Quakes and volcanic eruptions among Natural History Museum's new £12m display

LOUISE JURY

It is science, but not as we know it. The new vision of the world unveiled at the Natural History Museum yesterday is a high-tech, high-gloss drama with the sound of ambient music.

The public will get their first glimpse of the first major National Lottery-funded project to be unveiled when the doors of the museum's new £12m earth science galleries in London are thrown open on Saturday.

In the welcoming atrium, a giant escalator takes visitors through a massive revolving globe sculpture of beaten copper, iron and zinc in a "journey through the centre of the earth". Upstairs, the bold can experience a simulation of last year's Kobe earthquake in a replica of a Japanese supermarket. Another section tells the story of the volcanic eruption of Mount Pinatubo in the Philippines in 1991.

The new galleries are expected to attract an extra 2 million visitors a year to the museum. At the formal launch yesterday, Virginia Bottomley, the National Heritage Secretary, said: "With the support of lottery funds, the latest tech-



Earth shattering experience: Inside part of the £12m lottery-funded earth sciences display that 'gives us a museum of the 21st-century'

Photograph: Andrew Buuman

nology has been brilliantly employed to give us a museum of the 21st century which will enhance the cultural heritage of the nation."

The project began after

research showed that visitors thought the earth science galleries were uninviting and that pure geology was boring.

In a move to communicate what museum director Dr Neil

Chalmers called "the drama and importance of earth science", the old geological museum, adjoining the Natural History Museum, was closed 18 months ago to prepare for

the new exhibition. It has been designed to appeal particularly to non-specialists.

The lottery money, matching £1m from the sponsors, the RITZ-CRA mining group, and

other cash raised by the museum, means the project should be completed by 1998 instead of taking up to 10 years.

Dr Chalmers said: "For the first time in Britain, we will have

a museum that is really going to make the earth sciences accessible to visitors. The duty of scientists today is to help people understand why the earth sciences are so impor-

tant." Understanding them helped us gain materials from the earth, such as oil, gas and building materials, in a responsible way, while many minerals and gems were simply beautiful in themselves, he said. They also helped explain how landscapes were formed by the earth's internal processes.

Sir David Attenborough, the naturalist, said yesterday: "Perhaps scientists have taken for granted for too long that the excitement they feel for their subject is automatically felt by everybody. This restores the wonder of what has for too long been considered rather dull and dire stuff."

Roy Hawkey, head of education, said the museum wanted to stimulate interest. "It's a question of widening horizons rather than simply being a collection of the answers."

The demands of national curriculum science had been considered in drawing up the designs. But he added: "Although we're predominantly a science-based institution, we're not neglecting the rest of the curriculum. We're keen to encourage people to look at the exhibitions from the point of view of aesthetics and history too."

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international

Bosnia crisis: Islamic states insist I-For must seize Serbian leaders and bring them to trial

Pressure grows on the West to arrest Karadzic

DAVID USBORNE
New York
SARAH HELM
Brussels

The Western powers are facing their worst crisis over Bosnia since the signing of the Dayton Peace Accord because of the continuing presence in the country of Radovan Karadzic, the Bosnian Serb leader.

Diplomatic activity reached a pitch yesterday, including at the United Nations, where Islamic nations supported a draft Security Council resolution that would demand Nato arrest Mr Karadzic and the Bosnian Serb military commander, General Ratko Mladic.

The draft UN resolution, obtained by the Independent, which will be circulated to Security Council members by Egypt, voices a determination to keep the Bosnian Serb leader out of the elections. It "requests the Implementation Force [I-For] to arrest Radovan Karadzic and Ratko Mladic and surrender them to the International Tribunal in the Hague and authorities I-For to use force, if necessary, to execute this mission".

The issue of what to do about Mr Karadzic has become urgent because of the planned opening this Friday of the election campaign in Bosnia. Pressure is growing from several corners for a Nato-managed military snatch of Mr Karadzic from his base in Pale, a former winter resort near Sarajevo.

Mr Karadzic has been charged with war crimes by the International Tribunal and is the subject of an arrest warrant. The American official in charge of monitoring the elections in

Bosnia, Robert Frowick, of the Organisation for Security and Co-operation in Europe, has vowed to bar the Serbian Democratic Party (SDS) from the campaign while Mr Karadzic, who is its chairman, remains on Bosnian soil. However, most observers believe an election without the SDS would be meaningless.

Ambassadors of the so-called Contact Group of countries most closely involved in the peace process - Britain, the United States, France, Germany and Russia - were due to meet late yesterday to iron out their differences over the best way forward.

Germany and the US have been most outspoken in threatening tough measures to force out Mr Karadzic, preferably via the reimposition of economic sanctions.

Even Britain, which until recently advised against inflaming Balkan tensions, has, according to senior sources, accepted that one of three options will now have to be considered: a gradual reintroduction of economic sanctions against the Bosnian Serbs and possibly also against Yugoslavia; a full-fledged reintroduction of sanctions by the Security Council; at the extreme end of the spectrum, a military kidnapping of Mr Karadzic and General Mladic.

Britain and other states have asked Carl Bildt, the senior international civilian representative in Bosnia, to come to the UN in New York as soon as possible to consider the next steps forward.

If either Mr Bildt or the commander of I-For, Admiral Leighton Smith, formally notify the UN that the parties to

Dayton are in violation of its provisions, all former sanctions applied to Yugoslavia would automatically be reimposed.

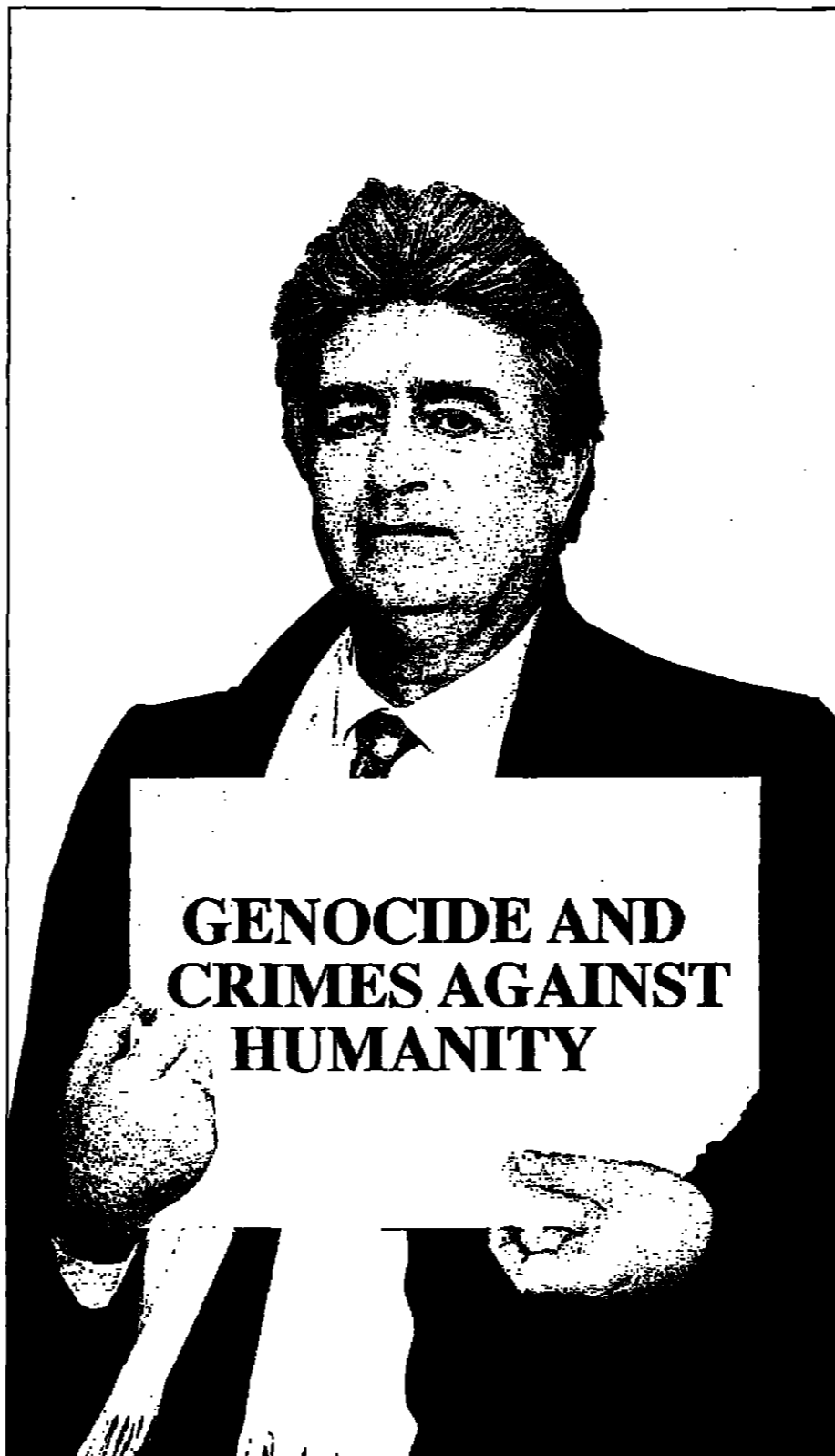
Hopes that the crisis may still be defused rest mainly with President Bill Clinton's personal envoy, Richard Holbrooke, who arrived yesterday in Belgrade for talks with the Serbian President, Slobodan Milosevic. Mr Holbrooke was expected to threaten the reimposition of sanctions unless Mr Karadzic is persuaded to leave Bosnian territory.

While the US administration is on the side of the hawks in wishing to threaten and, if necessary, implement sanctions, it is divided over the plan to arrest Mr Karadzic. While the State Department is believed to strongly favour that option, the Pentagon has voiced fervent opposition.

Nato leaders are still opposed to giving I-For forces stronger powers to hunt down and arrest Bosnian war criminals. Nato officials said yesterday. Although the alliance has not ruled out adopting a tougher line, the 16 member countries still hold out the hope that diplomatic pressure will persuade Mr Milosevic to round up the Bosnian Serb war criminals himself.

Despite tougher words from some I-For commanders, there have been no attempts within the North Atlantic Council to change their policy, said Nato sources, and no discussions on the matter are planned.

"The council has not seen fit to change policy. It is continuing to stick with it. There is consensus on this from all the allies," one Nato official said. Letters, page 15



Radovan Karadzic: If he refuses to leave Bosnia, sanctions may be reimposed on the Bosnian Serb entity and even on Yugoslavia. Photograph: Rex Features

SIGNIFICANT SHORTS

Paul Touvier, the only Frenchman jailed for crimes against humanity committed during the Second World War, died in a prison hospital outside Paris. He was 81. Touvier, nicknamed "The Hangman of Lyons", was jailed for life in April 1994. Last month, Touvier's children had asked French President Jacques Chirac for a pardon because the former collaborator was in the final stages of terminal cancer. *Reuter - Paris*

The Pentagon will develop a plan to protect US troops in the Gulf and other areas against terrorists using nuclear, chemical and biological weapons as well as truck bombs, Defense Secretary William Perry said. *Reuter - Washington*

Argentine Defence Minister Oscar Camillino resigned amid a scandal over the secret sale of weapons to Ecuador and Croatia last year, becoming the second minister to quit in a week. The resignation came 18 months after the scandal first broke and a few hours after a federal judge asked for the minister's parliamentary immunity to be lifted. *Reuter - Buenos Aires*

The European Union said retaliation for anti-Cuba trade laws by Washington would go ahead despite a partial US concession. European counter-measures are expected to be agreed by ministers at their next council meeting. On Tuesday, President Bill Clinton said part of the Helms-Burton Act, under which foreign companies investing in Cuba can be sued in US courts, would be suspended for six months. The EU still intends to fight back by appealing to the World Trade Organisation and, possibly, by imposing visas on visiting US businessmen. *Sarah Helm - Brussels*

A hotel fire in Shenzhen, southern China, killed 29 and injured 13. Survivors escaped by sliding down knotted bedsheets. *Reuter - Shenzhen*

East Timor marked 20 years of occupation by Indonesia with some anti-government graffiti scribbled on walls the only sign of dissent. The annual Integration Day ceremony took place without incident in front of the governor's office in the capital Dili, of what was once Portugal's most remote colonial outpost. *Reuter - Jakarta*

China's future garrison in Hong Kong will show they are a civilised force, the troops' head said in an attempt to dispel fears within the colony. General Liu Zhenwu, who is in Hong Kong for a three-day tour of British garrison units, is the highest-ranking Chinese officer ever to have visited the British colony, which returns to Chinese rule on 1 July next year. General Liu said the Chinese army would explain its principles to Hong Kong people so "they can understand us". *AP - Hong Kong*

Sixteen men in California have been charged with participating in an international Internet paedophile ring in which members once chatted online while a 10-year-old girl was being molested. According to the federal grand jury indictment, the men belonged to a group called the "Orchid Club," a chat room in which users swapped stories about child sex and conspired to produce and exchange sexually explicit images of girls as young as five. *AP - San Jose*

John Panizzo of the rock band Styx died at his home, aged 47. Panizzo, co-founder and drummer in the band, suffered from cirrhosis of the liver as a result of chronic alcoholism. Panizzo helped form Styx with his twin brother, Chuck Panizzo, in the 1960s and rode a wave of success that included four consecutive triple-platinum albums and the hit singles "Babe," "Come Sail Away" and "Lady". *AP - Chicago*

A soldier who protested at China's human-rights policy by refusing to play his tuba for the Chinese President has been sentenced to 18 days in the stockade. "I think the punishment is a little strict," Sten Tettie, a member of the King's Guard band, said of his sentence. Tettie disobeyed a direct order to take his place in the Guard band when it played for Chinese President Jiang Zemin during his visit to Oslo. *AP - Oslo*

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حکومت الامم

Russian troops 'torched' Chechen civilians

TONY BARBER
Europe Editor

The discovery of eight scorched and mutilated corpses, alleged to be civilians murdered by frenzied Russian soldiers, sent tensions soaring in Chechnya yesterday and raised fears of retaliatory terrorist attacks in Russian cities. Chechen villagers and Western eyewitnesses saw six corpses burned beyond recognition on the road leading west from Grozny, Chechnya's capital, and another two blood-soaked corpses with their ears cut off.

Local Chechens, hysterical with rage and grief, blamed the killings on rampaging Russian troops who they said had attacked a group of civilians in their cars on Monday night. They accused the soldiers, who arrived in two armoured personnel carriers, of shooting the victims, cutting their throats, soaking their bodies in petrol and setting them on fire. Four burnt-out cars lay at the scene of the killings, which represented the worst atrocity in Chechnya since a shaky truce took effect last month between Russian forces and separatist Chechen rebels. The Interfax news agency reported that 13 people had died.

The villagers' description of a brutal and unprovoked slaughter by wild soldiers whose commander drove them on with screams of "into battle!" was denied by the Russian armed forces, which blamed the killings on the rebels.



Heat of battle: Chechens gather round a burnt-out car they say Russian troops attacked while (right) Russians rampage after a victory over separatists Photographs: Reuters

However, representatives of the pro-Moscow Chechen government, daring to contradict the official Russian line, appeared to endorse much of the villagers' version of events. A deputy prime minister in the government, Abdullah Bugayev, quoted witnesses as saying that Russian troops had

gunned down the victims. The government's press spokesman, Ruslan Martagov, pointed the finger of guilt at "the party of war", a term that denotes hard-liners in the Russian army and security services.

He also said that three more disfigured corpses had been discovered yesterday in the

village of Katyr-Yurt, about 17 miles south-west of Grozny. It was not clear whether these killings were connected to those of Monday night, but Mr Martagov quoted local residents as saying that Russian troops were responsible.

The impression of increasing anarchy in Chechnya was

enhanced by a report that Russian interior ministry troops in Grozny fired last Sunday on a vehicle belonging to their own side. A teenage civilian was killed in the crossfire and two women were wounded, according to a Chechen interior ministry spokesman.

Russian military operations

have returned to pre-truce levels since President Boris Yeltsin was re-elected on 3 July. Russian forces have launched artillery and air strikes at rebel strongholds in south-east Chechnya, killing dozens of civilians and fighters, and there seems no chance of a Russian military withdrawal from the

republic by 1 September, as foreseen in the truce.

The resumption of attacks on civilians has disturbed Western governments, which kept silent about the Chechen war during the presidential campaign in order not to jeopardise Mr Yeltsin's re-election.

Mr Yeltsin bluntly told the

visiting US Vice-President, Al Gore, this week that although he wanted a negotiated settlement, "bandits" had to be suppressed.

Spokesmen for the rebels said that one Chechen commander, Shamil Basayev, favoured "pin-point strikes against vital targets" in Russia in retaliation for the new Russian offensive. Last year he carried out a notorious armed raid on the southern Russian town of Budyonovsk in which more than 100 people died.

However, the rebels denied an accusation last Tuesday by Russia's Interior Minister, Anatoly Kulikov, that they were behind two bomb attacks last week on Moscow's trolleybus system that wounded 33 people. There was a similarly unexplained explosion on Moscow's metro system during the election campaign.

Russia's leading human rights activist, Sergei Kovalev, who suffered a heart attack last week, condemned the latest Russian assaults in a letter to Mr Yeltsin from his hospital bed. "The day after the official announcement of the election results, you renewed the bloody Chechen war — that same war which you pledged to stop, thereby assuring yourself of election victory," he wrote.

"You have crudely deceived 40 million voters who supported you," Mr Kovalev resigned as Mr Yeltsin's human rights commissioner in protest at the December 1994 intervention in Chechnya.

Lebed's man named as defence minister

TONY BARBER
Europe Editor

President Boris Yeltsin appointed a new defence minister yesterday in a move that appeared to strengthen the influence of Alexander Lebed, his national security chief. The President's office named the new minister as General Igor Rodionov, 59, who has career ties with Mr Lebed dating back to the Soviet era.

Mr Lebed, a retired general, mounted a vigorous public cam-



General Igor Rodionov: An old friend of Lebed

paign for his friend's promotion after being appointed last month to the twin posts of secretary of the Security Council and Mr Yeltsin's national security adviser. He described the white-haired General Rodionov as "a brilliant general, a worthy and valiant man". However, Russian military specialists said it would be wrong to conclude that Mr Lebed had forced General Ro-

dionov's appointment on Mr Yeltsin, who has been in poor health for the past three weeks. One general and pro-government member of parliament, Lev Rokhlin, said Mr Yeltsin had been considering General Rodionov for the defence minister's job several months ago.

The job became vacant after Mr Yeltsin, seeking votes in the second round of Russia's presidential election, sacked the unpopular Pavel Grachev, a loyal ally during the attempted coup of 1991 and 1993. Mr Lebed had made no secret of his intense dislike of Mr Grachev and almost certainly made the minister's dismissal a condition of his acceptance of the national security jobs.

General Rodionov served with Mr Lebed in the Soviet armed forces in Georgia in the 1980s, when pressure for independence was growing in the small southern republic. He was commander of the Transcaucasus military district in April 1989 when his forces killed 19 Georgian nationalist demonstrators in Tbilisi.

A Soviet parliamentary commission later blamed General Rodionov for "violations" in Georgia. But in his memoirs published earlier this year, Mr Lebed said his friend ought not to have been made a scapegoat for politicians' mistakes.

He was later appointed to run the General Staff Academy, which he now leaves for the defence ministry. The general is expected to work closely with Mr Lebed on a programme of far-reaching reforms intended to modernise the army.

Poles restrict top civil service jobs to ex-communists

Warsaw (Reuters) — Critics yesterday denounced a new law regulating Poland's public administration for excluding all except ex-communist officials from top civil service posts.

"This law clearly discriminates against all those who before 1989 were outside the communist nomenclature," Adam Michnik, editor of the daily *Gazeta Wyborcza*, wrote. President Aleksander Kwasniewski, himself a former communist, signed the civil service law on Tuesday, even though he agreed with opposition charges that it contained flaws.

The measure, linked to a wider administrative reform, aims to guarantee that officials are properly qualified. But it rules that top officials must have seven years' experience, including four years in managerial posts — leading critics to accuse the ruling ex-communist Democratic Left Alliance (SLD) of blocking those who were not part of the pre-1989 communist system.

They also object to a provision that graduates of a special national college, founded in the early 1990s to train civil servants for democratic Poland, will not qualify for higher posts. "This law is clearly bad as it puts people from the old system

into privileged positions," said Andrzej Potocki, spokesman of the centrist opposition, Union for Freedom.

Mr Kwasniewski, who is close to the SLD he once led, acknowledged that there were problems with the otherwise necessary law and wrote to parliament suggesting changes before it takes effect on 1 January.

Mr Potocki said that his party would accordingly have an amendment to the law ready this week.

"We will propose limiting the required period in office from seven to three years, including a requirement for knowledge of foreign languages among lower officials, and allowing graduates of the National School of Public Administration to attain high posts," he said.

Dariusz Klimaszewski, press liaison officer for the SLD's core party, said the charges of favouring ex-communists were unfounded as veterans of the old system were retiring anyway. He said there might be a case for introducing a fast-track for talented young people to senior jobs, but he attacked the outspoken criticism of the new law. "To portray something which is an evident success as a bad measure is simply not fair," he said.

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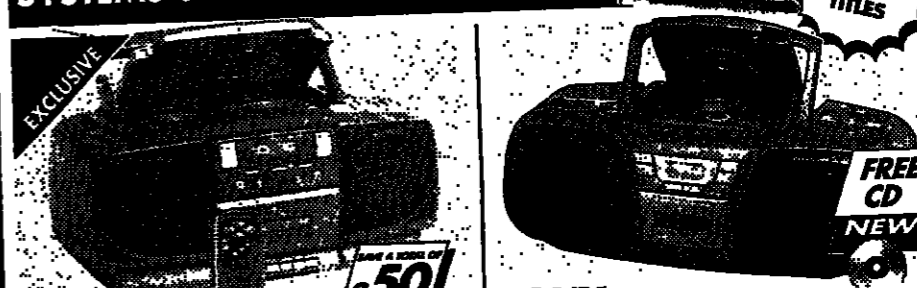
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MEPs ban gifts in bid for high ground

KATHERINE BUTLER
Strasbourg

In a move which they claim gives them the moral edge on their Westminster counterparts, Euro MPs yesterday voted to accept a ban on gifts from outside interests and junkets to exotic locations. They stopped short, however, of defining what constitutes a gift, or allowing their financial interests to be subjected to public scrutiny.

After seven years of internal wrangling, deputies hope the latest plan will clean up the grey-train public image of the parliament and boost the campaign to win more legislative powers.

The vote comes as a breakthrough for those who have been attempting to open the lid on the business activities of MEPs and also regulate the growing army of professional lobbyists prowling the corri-

dors of Strasbourg. Whether the new rules will act as a significant curb on undue influence on law-making by lobbyists, is still far from clear. MEPs claim they have banned gifts and junkets but they will still be allowed to accept invitations from foreign governments and benefits in cash or kind on top of regular pay and expenses - provided they relate to their work and are declared in the public register.

The hope is that the obligation to disclose benefits or invitations will effectively put an end to the spectacle of hundreds of MEPs jetting off to Turkey for a week prior to a crucial Strasbourg vote on the EU-Turkey association agreement.

Labour MEP for Manchester, Glyn Ford, who campaigned for the measures admitted the formula was not perfect, but said MEPs would now be making fuller declarations of what they received than members of the

House of Commons. MEPs will, for the first time, be obliged to make an annual declaration of their professional interests, although they will not have to report on the scale of their earnings from outside activities. Mr Ford conceded that transgressors would not face formal sanctions for breaches but said the threat of public censure would help discourage abuse.

Yesterday's vote came after Socialist MEPs and centre-right Christian Democrats - which include British Conservatives - settled a long-running squabble over the extent to which gifts should be covered by the rules.

Many Christian Democrats argued that a sweeping ban would rule out even cups of coffee or a bunch of flowers for an MEP attending a conference. An amendment by a Conservative MEP, Brendan Donnelly, aiming to limit the ban to gifts likely to affect votes was de-

feated. Mr Ford said the ban on gifts meant an MEP could accept a bottle of wine from a lobbyist, but not a crate. "Nobody would argue a cup of coffee is a gift but obviously a free weekend in Paris is. It's a question of common sense."

He said "dozens" of MEPs had been to Taiwan and Indonesia in the past few years, at the expense of the two governments, each desperate to win parliamentary ratification for EU trade or political accords.

Meanwhile lobbyists, who now number up to 10,000 when interests from the tobacco giant Philip Morris to Amnesty International are included, will have to sign a special register in Strasbourg and abide by a code of conduct. The expansion of the parliament's powers to shape legislation under the Maastricht Treaty has made the institution an obvious target for lobbyists.



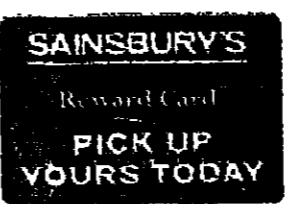
Depth of feeling: Residents protesting against eviction from a hillside in Quito, Ecuador, after partially burying themselves in the ground. Homeless families have been squatting on the hillside for 11 months. Photograph: AFP

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Germans help Israel retrieve soldiers' bodies

ROBERT FISK
Beirut

The German intelligence service was last night preparing to oversee an exchange of the bodies of two Israeli soldiers for the remains of at least 14 Lebanese guerrillas buried in a makeshift cemetery in northern Israel. The involvement of the Germans - and in particular of Bernd Schmidbauer, Chancellor Kohl's senior intelligence adviser - underlines Germany's close connections with the Iranian intelligence service, which had to approve the exchange.

German security and forensic officers had earlier moved into Beirut's Summerland Hotel with orders to confirm that the two bodies in Lebanon were those of Rahamim al-sheikh and Yusef Fink, Israeli occupation soldiers who were wounded and captured during a Hizbollah ambush on their patrol inside southern Lebanon in 1986. In a makeshift cemetery at Gadot in northern Israel, Israelis had earlier exhumed the bodies of at least 14 guerrillas and taken them from the graveyard in wooden coffins.

Negotiations for exchanging bodies - the most gruesome and sinister bazaar in the Middle East conflict - have been a part of almost every Arab-Israeli war, continuing even while hostilities are still in progress. Israeli

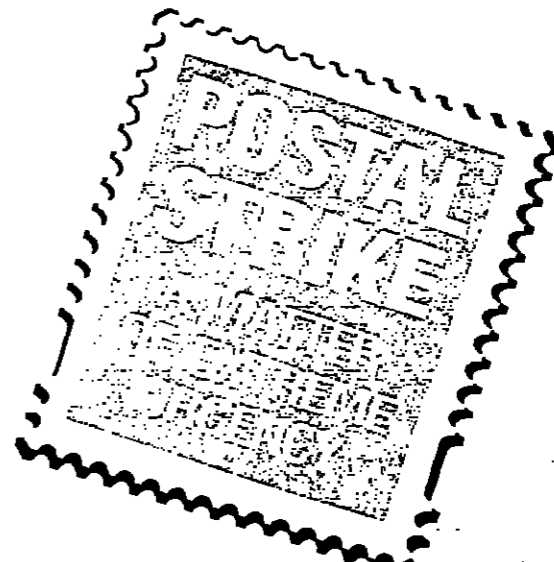


Swapped: Yusef Fink, killed by the Hizbollah

air raids and Hizbollah attacks on Israeli troops in Lebanon have gone on while Mr Schmidbauer - who negotiated the release of two German hostages in Beirut in 1992 - has been waiting to fly to Damascus for talks with Hizbollah officials.

The Hizbollah want the release of Sheikh Abdul-Karim Obeid and Mustafa Dirani, both kidnapped in Lebanon by the Israelis in 1989 and 1994. Israel wants the Hizbollah - or the Iranians - to free Ron Arad, an Israeli air force navigator shot down at Sidon in 1986.

When it was discovered that German and Iranian intelligence services had held consultations in Bonn last year, Israel was loud in its condemnation: now, it seems, the Germans are being rehabilitated in the interests of the body exchange.



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Egypt applies gentle pressure to Netanyahu

PATRICK COCKBURN
Jerusalem

Benjamin Netanyahu will visit Egypt today, his first trip to an Arab country as Israeli Prime Minister. But he will not be allowed by the Egyptian government to visit the Pyramids or look at the gold coffin of Tutankhamun in Cairo. It is the sort of small gesture by which the Arab world is trying to edge Mr Netanyahu towards implementing the peace accords with the Palestinians.

"Israel cannot say and do whatever it likes, because it made a contract at the [1991] Madrid conference," said Osama el-Baz, senior adviser to President Mubarak. "It also accepted the principle of land for peace and the legitimate political rights of the Palestinian people."

In a flurry of diplomatic activity, Mr Netanyahu met Abdul-Karim Kabariti, the Jordanian Prime Minister, on Tuesday night, at the request of Jordan. Mr Kabariti said: "I sense that there is a sincere commitment from Prime Minister Netanyahu when it comes to making peace." He did not, however, spell out the nature of that commitment.

The Arab world is still in a state of shock over Mr Netanyahu's visit to the US last week, and the applause that greeted his hard line in the Congress. Not only did he repeat his rejection of a Palestinian state, negotiations on Jerusalem and the return of the Golan to Syria, but he gave the impression that he would expand Jewish settlements on the West Bank.

Since he signed a peace treaty

with Israel in 1994, King Hussein had been committed to acting as a bridge between Israel and the Arab world. With the election of Mr Netanyahu, this operation becomes more delicate. "This year will be a difficult one for Jordan," said a senior diplomat. "You can hear people more and more openly criticising the King - at levels like ministers, where people are supposed to bow."

Probably Mr Netanyahu does not need to do much to prevent an overt rift with Egypt, which remains very dependent on the US. If he announces the long-awaited partial Israeli withdrawal from Hebron in the next month, this will be taken as a sign that the Oslo accords are still alive. Yasser Arafat, the Palestinian leader, is continuing co-operation with Israel in the belief that this is his best lever in dealing with Mr Netanyahu.

Mr Arafat could have chosen another policy. Dr Khalil Shikaki, of the Centre for Palestine Research and Studies, says a better strategy for the Palestinian Authority might be to provoke an immediate crisis "by halting all security co-operation with Israel and releasing all Hamas prisoners". This could be supplemented by mass demonstrations by Palestinians and highlighting of Palestinian military and political control of parts of the West Bank. Dr Shikaki argues that Mr Netanyahu's record shows that he backs down under pressure.

It is unlikely that Mr Arafat will adopt this strategy. Under his leadership, the PLO has never been effective in leading a mass movement. The Palestin-

ian intifada in 1987 was largely spontaneous. Mr Netanyahu has so far refused to meet the Palestinian leader and Khalid Salam, one of his advisers, said yesterday that a lower level meeting had "not been positive". David Levy, the Israeli Foreign Minister, expects to meet Mr Arafat soon.

There may be less mystery about Mr Netanyahu's tactics than appears. In his books, he says that his experience as Israeli ambassador at the UN convinced him that the way to deal with the Arabs is for Israel to take up a hardline position and wait for them to compromise. He may feel that nothing has happened since his election contradicts this premise.



Bibi out: Public-sector workers calling for the resignation of the Israeli Prime Minister, Benjamin Netanyahu, outside the Knesset (parliament) yesterday at the start of a one-day strike. They are angry about budget cuts by the new Likud government. Photograph: Reuters

Palestinians resist Arafat land seizure

PATRICK COCKBURN
Nabliis

In two tents pitched on a rocky hilltop the people of Jneid village were gathering to protest against the confiscation of their land. For once their anger was not directed against the Israelis, but the regime of Yasser Arafat, the Palestinian leader, who plans to build his West Bank headquarters on twelve acres they say they have owned for 1,000 years.

Hassan Hussein, the mukhtar or leader of Jneid, a cluster of houses overlooking Nabliis, the largest city on the West Bank, said: "We are sure Arafat did not know what was happening. But this is our land and we need it for building." Ziyad Ibrahim, another villager, added: "We struggled for so many years to

people from the municipality came with PA soldiers to start work," said Billal, a teacher from Jneid who did not want to give his full name. "We clashed with them for three days." The villagers appealed to the court in Nabliis against the loss of their land. They also set up two tents on the land to prevent construction starting.

"On Friday night at 3am somebody came and poured kerosene over our chairs, tables and flags," said Billal. "Then they opened fire with sub-machine-guns at the tents themselves, though there was nobody in them at the time."

The villagers believe Mr Arafat has been misled by his security men. But local Palestinian politicians and intellectuals say that the authoritarianism ultimately stems from Mr Arafat himself. A survey of students at al-Najah university in Nabliis showed that two-thirds believe that freedom of speech has been negatively affected by the arrival of the Palestinian Authority.

Dr Shikaki said the basic feature of the quasi-state which Mr Arafat rules in Gaza and in parts of the West Bank is that "it is authoritarian, though not totalitarian". Hussam Qadr, a member of the Legislative Council, said: "The police are judge and jury." Other residents of Nabliis say the incoming Palestinian police officers behave like occupation troops, furnishing their offices by removing furniture, for which they never pay, from local shops.

Mr Arafat does not have much choice. Israel and the US have consistently demanded that he "crack down" on Hamas and Islamic Jihad, the fundamentalist guerrillas. It is not surprising that the security arm of the nascent Palestinian state is overdeveloped. The ability to provide security to Israel against suicide bombers is Mr Arafat's only strong card in dealing with Benjamin Netanyahu, the Israeli Prime Minister.

This excuse does not apply to the confiscation of the lands of a village like Jneid. "Yes to a state of laws, No to taking this land by force," read a banner hanging beside the tent where the villagers were waiting for Mr Arafat. "He is still our leader," said Hassan Hussein. Dr Shikaki believed this tolerance between the PA and the people of the West Bank "will inevitably lead to an explosion and bloodshed".



Arafat: Using villagers' land for his headquarters

preserve our land from the Israelis and now this happens." The fury of the Jneid villagers reflects disillusionment with the Palestinian Authority (PA) of Mr Arafat in Nabliis and five other West Bank towns where it took control last December. "The major complaint here is that the security services are out of control, unaccountable and form a state within a state," said Dr Khalil Shikaki at the Centre for Palestine Research and Studies in Nabliis.

Events at Jneid bear him out. Villagers say that in the past they fought off attempts by the Jordanian government, while it held the West Bank, and later by Israel after 1967, to take from them their olive groves and grazing land. Last year they heard rumours that Ghassan Shakaa, the mayor of Nabliis, was encouraging Mr Arafat, normally based in Gaza, to build his headquarters for the West Bank at Jneid without paying compensation. "In the morning 12 days ago



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international

Sushi poisons 5,000 Japanese children

RICHARD LLOYD PARRY
Tokyo

"Eel, source of strength in the midsummer heat," wrote an anonymous lyricist in the 8th-century poetry anthology, the *Ten Thousand Leaves*. For 1,200 years, Japanese have fortified themselves against lethargy in the hottest months by eating this most delicious of fish: eels on rice, broiled eel kidneys, and sea eel sushi - cooked, doused in sweet sauce, and served on bite-sized morsels of sticky rice. But after this year, eels will never taste the same again.

Last night, a seven-year-old girl was critically ill in hospital, and nearly 5,000 other children were sick after being poisoned by eel sushi in their school dinners, the latest in a series of unexplained food poisoning cases which have already killed four people since May.

Cleanliness and ritual purity

occupy a central place in Japanese culture and religion, and the recent rash of poisonings has caused something close to panic.

In Sakai, a satellite city of Osaka where the latest outbreak has taken place, public swimming pools and all 92 schools have closed early for the summer holidays. Detergent manufacturers have reported a nationwide boom in sales of bleach and disinfectant, and cabinet ministers have been holding emergency meetings and flying in to comfort victims.

"We're here to find out what exactly brought this about and learn what we can do about it," the Health Minister, Naoto Kan, told reporters at a hospital in Sakai.

So far, though, the answers to those questions remain elusive. "Matters are not resolving themselves," said the mayor of

Sakai, Hideo Hataya, yesterday. "They are getting worse." Since the first isolated cases were reported in May, the poisonings have harmed more people than last year's sarin nerve gas attack on the Tokyo subway.

The germ causing the havoc has been identified as O-157, a strain of the *E. coli* bacteria which breeds in the human intestines, creating a toxin similar to the one which causes dysentery. A few hundred of the microscopic bacilli are enough to cause sickness.

Healthy adults usually recover from the illness, but children and the elderly are at grave risk. The early symptoms can be mild (in a previous case many young victims were sent home believing they had colds), but vomiting and bloody diarrhoea can lead to brain damage, kidney failure and death.

The bacilli can incubate for more than a week, making it dif-

ficult to track down exactly what food or liquid has been infected by them. The culprit in the recent case is believed to be a batch of eel sushi, prepared by Sakai's central school dinner depot on 5 July.

O-157 was discovered in the United States in 1982 and first appeared in Japan eight years later. Why then has it proved so difficult to eliminate? Responsibility, as so often here, appears to lie with the bureaucracy, and the inadequate co-ordination between local and national bodies.

"The terror posed by the outbreak of the O-157 colon bacillus is gripping the nation," the *Yomiuri* newspaper observed in a leader this week. "The health authorities are fully aware of the danger of this bacillus, but they have obviously failed to share their knowledge with doctors and school lunch officials at the local level."



Sickbeds: Schoolchildren in Sakai receiving hospital treatment for food poisoning

Photograph: Yomiuri Shimbun/AP

Philippines to let Vietnam refugees stay

STEPHEN VINES
Hong Kong

The Philippines, the poorest Asian country to have taken in Vietnamese boat people, has become the only nation to allow them to settle permanently, although the government says it will continue to try to persuade them to leave voluntarily.

The Philippines' move comes as other east Asian destinations are busily deporting boat people, and the United Nations High Commissioner for Refugees (UNHCR) has stopped sponsoring camps for them.

The guiding hand behind the government's action appears to be the influential Roman Catholic Church, which stepped in last February to prevent the authorities from carrying out a programme of forced deportations of boat people who do not qualify for refugee status.

The administration of President Fidel Ramos had been taking a hard line, and having limited success in persuading the Vietnamese to return home voluntarily: still, fewer than 2,000 people were in the camps.

Meanwhile, the UNHCR, citing more pressing refugee problems elsewhere, has cut off assistance to the Philippines government for maintaining the migrants. In recent weeks, Filipino charities have provided food and other support.

By making the Vietnamese, in effect, permanent residents the government will be able to close down the camps and integrate the remaining 1,500 to 2,000 boat people into the workforce.

Other places of first asylum for boat people - most notably Hong Kong, which has taken in by far the largest number - have

adamantly refused to allow permanent settlement, fearing a fresh exodus of asylum seekers.

Even those who qualify for refugee status, under standard UNHCR criteria, are not allowed to settle outside refugee camps but remain in centres pending entry to countries of asylum.

Hong Kong and Malaysia have stepped up forced deportation programmes, aiming to clear the detention centres of boat people by the end of the year, in Malaysia's case, and in Hong Kong's, before the middle of next year when China resumes sovereignty.

The exodus of boat people began following the fall of Saigon to Vietnamese communist forces in 1975. Since then, hundreds of thousands have fled, usually in small, unseaworthy boats. At first they were welcomed in the countries of first asylum as refugees from a cruel communist regime, and Western nations promised to resettle them. But, over two decades, sympathy for the Vietnamese has withered to less than zero.

At the beginning of the month, Ngo Doan Tha, a former South Vietnamese police officer, won a long battle for refugee status in Hong Kong after it had been repeatedly ruled out. That was despite the fact that the authorities knew he had passed security information to both the United States and Hong Kong governments, making him vulnerable to arrest in Vietnam.

The Philippines, in contrast, has let its boat people work as farmers and fishermen and kept them in conditions more closely resembling villages than barbed-wire-encrusted prisons.

French defence cuts spike hostile guns

MARY DEJEVSKY
Paris

Howls of anguish and indignation were to be heard the length and breadth of France yesterday, as the Defence Minister, Charles Millon, spelt out details of precisely how the French defence sector is to be slimmed down and restructured. "He's gone further even than Wellington, who cost us 32 regiments at Waterloo," said an influential Gaullist MP, Jacques Baumel, in response to confirmation that 38 regiments were to be disbanded by 1999.

The political and economic discretion with which the cuts have been drawn up, however, will weaken the effectiveness of the gathering protests. So too will the fact that military units and institutions in France are generally sited with as much of an eye to political as to logistical advantage: their survival is, therefore, seen as a local economic issue, rather than a question of national heritage and glory. Without this national and highly emotive aspect that always dogs comparable military cuts in Britain, the restructuring is likely to proceed very much as planned.

The cuts include the closure of three air bases and four military hospitals, while the military sports centre is to be transferred and centralised at Fontainebleau. Up to 40

military training establishments - including academies at Strasbourg, Clermont-Ferrand and Metz - are to be closed by 1998.

Units stationed in Germany will be subjected to particularly sweeping cuts, as 11 of 14 regiments - 17,000 out of 20,000 servicemen and civilians - are due to be disbanded or transferred by the end of the century.

As the chairman of the Socialist group on the parliamentary defence committee, Jean-Michel Boucheron, grudgingly admitted, however, the cuts had a certain "logic".

The Defence Minister has wielded a scalpel rather than an axe. He has ensured where possible that the towns and cities affected by the loss of regiments and military establishments remain at least one of their existing military institutions, so limiting the economic damage.

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Why modern literary culture has lost the plot

Pilgrims on the path to literature have been finding the going harder and harder. They want to follow the road to its promised destination, but they keep stumbling on the way. Often they meet diversions, which turn out to go nowhere at all. Frequently, despite its promise, the road peters out altogether.

Not many people mention their failed excursions into literary culture, because they are embarrassed to admit they found them so tough. But yesterday one soul spoke up for many: Philip Pullman, winner of the Carnegie medal for his children's book *Northern Lights*, used his acceptance speech to deride the fashion for ignoring stories in contemporary literature.

"In adult literary fiction, stories are there on sufferance," he said. "Other things are felt to be more important: technique, style, literary knowingness. The present day would-be George Eliots take up their stories as if with a pair of tongs. They're embarrassed by them. If they could write novels without stories in them, they would."

Stories are a vital part of the way we understand and order the world. They are the stuff of our daily emotional communication. Bill Buford, writing in the *New Yorker* recently, argued that storytelling is actually on the way back because "they are a fundamental unit of knowledge, the foundation of memory, essential to the way we make sense of

our lives... It is possible that narrative is as important to writing as the human body is to representational painting."

Such words come like rain after drought for everyone who has struggled in vain with the "literary" writers of our age. How many readers listen to Mr Pullman and remember the time they shamefacedly gave up on the latest Salman Rushdie at page 12? How many experienced as much torment as enlightenment in the hands of Kazuo Ishiguro? How many struggled vainly with Ben Okri? Who really likes Martin Amis's *The Information* (as opposed to agreeing that they are in some way impressed by it)? In every case, the readers of these books know that they are consuming elegant, poised, brilliant, perceptive prose. But somehow they just couldn't keep going, because, well, it wasn't quite what they wanted.

Yet those writers, and many others along with them, are sold to us as being in the front rank of novelists today. Is it just possible that we are hearing false prophets? Or even, dare it be said, that a self-perpetuating literary elite is foisting its own sectional "value" on us?

If Dickens were writing today, he would probably be patronised, rather than lionised: an amusing popular entertainer. Jane Austen, probably, would encounter the same fate, on the grounds that her subject matter is trivial: domestic romance and the pursuit of marriage to rich men. George Eliot

might have a certain success in the Booker stakes, and sell well in paperback, but she wouldn't quite make it to the ranks of the literary elite.

For we have reached the point where the cultural world admires Premier League writers, whom a few read, but fewer enjoy, while relegating those who write stories that people want to read from the first page to the last.

Then there are writers who are pigeonholed into their "genre". Thus, PD James is good—but only for a crime novelist. Iain Banks writes sci-fi, so he can't be wholly serious. Even William Boyd, one of the best story-writers in



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English today, isn't quite accorded the same respect as "intellectual" novelists.

It is symbolic that our literature students today are taught to deconstruct novels, not appreciate their construction. They know how to interpret the unsaid, and to weigh silences between the lines. Literature has disappeared into its own reflection.

Of course, some writers who sell millions are great story-tellers, and not much else. They don't open our eyes to anything much—and don't really claim to: writers from Ken Follett to Shirley Conran, Dick Francis to George Heyer, offer the pleasure of a

good tale that may subsequently be gaily forgotten, but kept us well enough enthralled at the time.

There is an unpalatable side to the blockbuster, too: its tendency to plump for formulaic and tedious plots as a substitute for imagination and invention, throwing in the right number of sex scenes, decapitated bodies, and the right measure of money-lust to ensure the book's film rights and a good lead in the Hollywood rewrite.

But that kind of low-grade entertainment has always been with us: it does not alter the fact that some strongly selling books (Elmore Leonard's crime novels, for instance, or John le Carré's spy stories) should rank along with the best literature of our times.

The danger of "literary" elitism is that we allow ourselves to be persuaded that a book with a story can't be quite the best (even though we have "intellectual" successes like *The Name of the Rose* to prove otherwise). When we were children, we knew better. We walked through Charles Ryder's low door in the wall, hand in hand with Roald Dahl, Frances Hodgson Burnett, Enid Blyton, Noel Streatfeild. We trusted them, and those stories stayed with us forever. The moment when the clock struck 13. When Charlie found his ticket to the chocolate factory. Apple pie beds in Mallory Towers. Ballet shoes.

Like Charles Ryder, we grew up and lost the key to that magic world. With

the maturity of adulthood we learned to worry about impressing others with our intellect. We felt the need to impress our friends. We pandered to the cultured, educated classes. We discovered dinner parties. And so books changed their function. Instead of passports to another world they became status symbols of this one. The clock stopped striking 13.

In anonymity, liberty

Talking of books—it's just too bad that Joe Klein should be unveiled as "Anonymous", author of *Primary Colors*, the most famous American political novel of the century. Anonymity has a flash that no bare name can match. Supposing the characters rescued by the Scarlet Pimpernel or Superman knew the identity of their saviours? They'd feel let down. Suppose the business executives who lap up the anonymously written wisdom of the *Economist* knew the names of the hissing youths responsible? At a time when glossy novels are sold on the basis of authors' photos, a mystery ID adds spice and authority. Above all, it allows the author more liberty to speak out of turn. I mean, you wouldn't want to know who wrote this, would you?

LETTERS TO THE EDITOR

Ulster's silent majority shares blame

Sir: For a population of one and half million people, the Northern Irish make a lot of noise. Your leading article "The Irish peace that can only come from within" (16 July), though painful, lays out clearly a suspicion I have held of my fellow countrymen for some time.

The silent majority, of which my family in Ulster is, I suppose, a part, is guilty of complacency and complicity. The violence does not happen on their streets, they make a good living (sponsored by the British taxpayer) and political discussion is carefully avoided when golfing with friends from the other side.

When asked to vote, however, they vote as their fathers voted. To vote for John Alderdice's Alliance Party seems to them a waste. When you ask for their view of a particular atrocity, they express outrage and dismay but are slightly angrier if it was committed by "one of theirs". Northern Irish politicians run a closed shop and have succeeded in excluding men and women who could lead these detached people, teach them about their responsibilities, and make intelligent contributions to the search for peace.

ADRIAN K HALL
London W11

Sir: To a nationalist the most frightening and depressing aspect of the Drumcree saga was the vitriolic outburst of tribalism from every fellow nationalist I have spoken to or heard in the past week.

In an instant our civilised veneer cracked. From every politician and church leader, from every TV, radio and newspaper commentator, from every phone-in and chat show, from every workplace and pub conversation, poured all the old tribal clichés. All the defeats, wounds, hurts and humiliations suffered by our tribe were rehearsed with relish. All our myths, misapprehensions, fears, bitterness and hatred of the Unionist/British tribe were superbly articulated.

The voices could have been Serb or Hutu, Croat or Zulu. There was enough rhetoric in the past week to sustain and justify our tribal warriors (IRA, INLA) in waging war on their tribal enemies for at least another 25 years.

I wonder if we nationalists will ever come to terms with the fact that the tribal demographics on this island irreversibly changed 300 years ago. Can we ever accept that the minority Unionist tribe are here to stay and have an absolute right to self-determination (that is, to remain separate from us)? If we can, the whole vista changes, and only then can there be any hope of peace on this island.

DICK KEANE
Glengarry, Co Dublin

Sir: A former member of the Alliance Party, I resigned my membership, not through any disillusionment with the party, but rather with the people of Northern Ireland. Over the years, canvassing door-to-door, the majority of people we spoke to were "moderates", the so-called "silent majority"—at least that was until election day, when they promptly ran back to their respective camps.

I feel tempted to say "a plague on both your houses" and leave Northern Ireland—but I won't. This is my home, my family are here, and my memories are here and anywhere else I would be a



A drunkard's dream or the horrors of alcohol

stranger. So, later today I will phone Alliance Party headquarters and rejoin the party. Once again I will try to help find a middle ground. That is the only hope any of us has left.

ANGELA WATSON
Lisburn, Co Antrim

Sir: Am I alone in being ashamed to be a man? The current childlike squabbling in Northern Ireland, where men are behaving like little boys, leaves me despairing. When will men learn the new skills required—of listening, of tolerance of change? What do women think of us?

PAUL WHEATCROFT
Bristol

Moving house without pain

Sir: A friend of mine moving from one academic post to another finds herself in a position where the completion date on buying is a month earlier than that on selling, leaving her to take out a bridging loan which will cost £250 to arrange and £1,000 in interest.

Why should it be so expensive to move; and who benefits from the present system? It is the result of the refusal of estate agents to carry their own stock (of houses) like any other shopkeeper.

There is one way out: it is that local authorities be permitted or compelled to take over all properties at rateable value for resale, letting or any other appropriate purpose. Since their income depends on council tax, they would have every incentive to offer a good price and sell on quickly.

JOHN A DAVIS
Cambridge

London has too many answers

Sir: Discussion of London's government is producing widely diverging views. Some want a lean and mean executive body with limited "strategic" functions set above the boroughs. Some want an authority for south-east England. An elected mayor is mentioned—a governor even. Others want to scrap the boroughs and restore "local" councils.

Arguing for a fresh start, Andreas Whittam Smith ("Power to the People of London town", 15 July) sees movement for a better London making progress. But is the central issue one of international image, civic pride, powers, policies and practice, resources, or what? Apparently no one wants another GLC, but everyone wants an elected London authority—whose tasks seem to lengthen as the debate grows.

While integrating transport with land use is often seen as the key issue, it can be argued that London's dominant problems are its schools and its health service. In trying to improve London we have to start from the fact that most salient issues are inextricably matters as much for central government as for the boroughs. We have to recognise that London is a unique metropolis—and find a way forward that is not borrowed from somewhere else, but accords central-local co-operation. This would involve change in neither boundaries nor functions.

GRAHAM M LOMAS
Purley, Surrey

Sir: Andreas Whittam Smith poses the right question, in relation to the current ferment of ideas about the future of London—"How is the connection to be made between ideas and action?" And while Labour's elected strategic city-regional assembly is essential, it will not be sufficient to mobilise local enthusiasms.

We argue that directly-elected neighbourhood councils should be introduced into London, building on the experience of community councils elsewhere. Each neighbourhood council would be the guardian of its own physical environment, and be responsible direct to Labour's new London regional authority: the boroughs would remain the sole service-providers. The neighbourhood councils would decide planning applications (within the framework of a Greater London plan) take over cleansing, recycling and certain anti-pollution controls, preservation orders and conservation areas, local traffic management, and a key role in the administration of local amenities.

We estimate that there would be over 1,000 such neighbourhood councils in London, giving some 30,000 Londoners the opportunity to participate directly in the governance of their great city, part of a movement of 250,000 neighbourhood councillors nationwide. That, coupled with new strategic regional assemblies, would create "the connection between ideas and action".

ROGER WARREN EVANS
Director, City Region Campaign
London N1

Italian way to live with bikes

Sir: Three days ago, I was sitting in a café in Tuscany, watching the morning progress. In the three yards between my table and the lady selling flowers, there was a steady flow of pedestrians, cyclists and mopeds. There was no pavement edge, no bollards, and people just weaved around one another, with barely a cross word or an angry glance.

The law about cycling on pavements is silly, and should be scrapped. It cannot ever reasonably be enforced. What we need is a change of attitude that rejoices in other people going about their business, rather than condemns imagined slights.

RICHARD MANN
Oxford Friends of the Earth

Sir: I would like to reassure Christopher Padley (letter 16 July) that training for young cyclists is alive and well. Local authority road safety officers throughout the country organise training programmes through schools, and in most areas the training actually takes place "on the road".

The recent announcement by the Government of its cycling strategy should further enhance the status of cycling and ultimately lead to the situation where cyclists no longer feel so threatened by other road users that they have to resort to riding on the pavement.

DAVID LINDSAY
Local Authority Road Safety Officers' Association
Northallerton, North Yorkshire

Bosnia embargo cut both ways

Sir: Dr Salah Ezz (letter, 15 July) may be correct to claim that the UN-imposed arms embargo on the states of the former Yugoslavia "tied the victims' hands". However the question that those who opposed the arms embargo have not answered is what influence it had on the ability of the Bosnian Serbs to acquire weapons and other military supplies.

It is frequently claimed that the Pale regime had unlimited access to the supplies and stores of the old Yugoslav People's Army (JNA) but so far this remains unproven. Why did Mladic's men so frequently seize UN military equipment and remove their heavy weapons from UN storage sites if they had full access to JNA supplies? This suggests that the arms embargo helped to weaken the military effort of the Bosnian Serbs.

It may be that the forthcoming case brought by the Bosnian government at the World Court in The Hague will provide new information on this matter.

MALCOLM HARPER
Director, United Nations Association
London SW1

Royal example

Sir: Jennifer Miller ("Royal adulterers and the church", Letters, 16 July) invokes Stuart and Georgian history, but disregards the excellent examples of Queen Victoria, George V, George VI and our present Queen, which it would be wisest for Prince Charles to follow.

J M MACKAY
Biggar, Lanarkshire

Fight for World Service culture

Sir: The crunch will come for the BBC's World Service when someone, journalist or accountant, decides that BBC News and Current Affairs and the World Service do not need separate staffs in overseas bureaux, which currently share offices but not people.

Your report "Bird stands firm against World Service backlash" (16 July) does not refer to the essential role of newsgathering in any reorganisation.

I joined the fledgling BBC World Service TV News as managing editor in December 1990 after 20 years, most of them at senior level, in domestic BBC TV News. My boss, the other part of the staff of two, had spent a similar amount of time in World Service Radio. The cultural difference staggered me.

My general approach, which is still that of domestic news, was that if Brits were involved in a foreign story outside Europe, it was an important story. Otherwise, it had to fight its way into programmes obsessed by domestic politics, crime and sport. I quickly learned that the conflict in Northern Ireland was to World Service only one of many examples of civil strife throughout the world.

Unless World Service retains its own bureaux alongside those of domestic TV news, setting their own agenda, sending their own correspondents, crews and producers to cover stories which have global significance rather than reflecting a British interest, the values and importance of the World Service will be lost, and it will be a grave loss.

The BBC is neither better nor worse than it ever was. It is merely different, reflecting a changing world. But values like editorial independence and integrity must remain at the heart of its existence as an international broadcaster.

JOHN EXELBY
Managing Editor
BBC World Service TV News
1990-1993
Lechlade,
Gloucestershire

Workers' lives put at risk

Sir: So, John Major wants another opt-out (report, 11 July). He says British workers want to put their lives at risk by working long hours.

The Health and Safety Executive guide *Working Hours* is clear: "Major increases in the working day (or night) of the individual, especially where breaks are inadequate, can result in fatigue and loss of concentration. This increases the risks of accidents."

The proposed opt-out from European-based health and safety law is consistent with the continual attempts by the Government to reduce health and safety standards.

They have cut resources to the Health and Safety Executive for the next two years, abolished the workplace safety representatives' training grant, and they are still hunting around desperately to get someone in industry to complain about health and safety law. Opinion is now being sought in a series of Department of Trade and Industry seminars on deregulation.

STEVE PICKERING
Deputy General Secretary
GMB
London W79

The Treasury should do its thinking out loud

Rows over leaked documents can lead to pledges that politicians wish they had never made

Let's suppose, for a fantastic moment, that copies of the Treasury document leaked yesterday had instead been advertised as a discussion paper, put on sale at £5 apiece at every WH Smith and then been debated at public meetings throughout the country.

Controversial? Certainly. You can scarcely contemplate the prospect of Britain's total GDP falling below that of Brazil without provoking deep thought about Britain's place in Europe and the global economy. Bold? You bet.

To provoke a national debate on whether pensions and unemployment benefit should be privatised so that taxes can be cut, or whether changes should be imposed for post-16 education, or the roads should be sold off as utilities, seems an unthinkable daring step. But politically suicidal? Not necessarily. Most people fear – and others hope – that at least some ministers are already discussing such ideas in private. To

ventilate them in a mature democracy ought not to provoke riots. This is no doubt an absurdly Utopian argument. But it's worth making to illustrate an important point – that nothing aggravates like a leak. Secrecy is wonderfully cosy for governments – as long as it works. As it is, the Government was yesterday engulfed in a full-scale row.

We have been here before, exactly 14 years ago. In July of 1982 a spookily similar report, from the Central Policy Review Staff, was leaked to the *Economist*. It surfaced at the same stage of the electoral cycle and, just like now, on the eve of what promised to be a hard-fought pre-election spending round.

As Margaret Thatcher would later say, it too had an "excessively gloomy" prognosis for Britain's long-term economic prospects. It too

canvassed some potentially explosive options like wholesale private health insurance, full-cost charges for education and the long-term freezing of social security benefits.

Geoffrey Howe, then Chancellor, was forced to go much further than he intended to in denying that he intended to dismantle the welfare state. And Mrs Thatcher, whose idea of damage limitation was to shut down the CPRS, was obliged to issue her famous pledge at that year's party conference that the NHS was safe in her hands. The accusation that the Tories had a hidden agenda dogged them up to polling day and beyond.

There were also differences between the CPRS document and yesterday's leak. The CPRS report was commissioned by Howe, although he subsequently regretted it. The current document was pro-



DONALD MACINTYRE

duced by civil servants for civil servants, and was part of a brainstorming management exercise devised by Sir Terry Burns, the Treasury's senior Permanent Secretary, on what his department's functions and size might be in the next century.

There are already signs of ministerial sucking of teeth over Sir Terry's wisdom in allowing an exercise to cover such sensitive political issues, let alone be committed to paper. And while the document

may have been written by "kids" as Mr Clarke magisterially put it yesterday, it was discussed by the distinctly grown-up Treasury Management Board.

It also looks as if the "kids" spent quite a lot of time interviewing more senior members of the Treasury when compiling the document. Treasury ministers genuinely appear not to have had a hand in it – least of all the Chancellor himself. After all, Clarke is self-confessedly an enemy of what he contemptuously and habitually calls "Reaganomics".

This poses the question about how far officials should be allowed to operate a parallel government, away from the eyes of elected ministers.

Ministers, however, are not immune to the political damage. As it happens, the document also canvassed some quite left-wing ideas,

such as green budgets and more autonomy for local authorities. But by giving such prominence to a Gingrichite state-shrinking agenda it touched on objectives which some Tories on the right of the Cabinet would like to realise, as John Redwood, freed from the constraints of collective Cabinet responsibility, unhelpfully pointed out yesterday.

The real problem is the endemic secrecy, dishonesty even, within much of the political class. You can talk to serving right-wing ministers who will tell you they would much rather not face the dangers of spelling out their plans for the welfare state in anything so public as an election manifesto.

Those ministers jockeying for position in the post-Major era by proposing that state spending should be reduced to well below the target 40 per cent of GDP become

vague when you ask them how it will happen. Nor should Labour be too self-righteous. To imply, as Gordon Brown did yesterday, that there will be no secret reviews under Labour strains credibility.

Was it not Jim Callaghan who called in Scotland Yard in the Seventies to investigate the leak of a paper to Frank Field on the scarcely security-sensitive issue of child benefit? And if the Labour leadership seriously believes that it alone can reform the welfare state, then it must surely have more plans than have so far surfaced in its manifesto.

After the CPRS affair Howe lamented that trying to discuss sacred cows such as welfare "underlined the problems of democracy". The real lesson is quite different: politicians who want to attack the sacred cows and are afraid to do so publicly deserve to lose the argument. The events of the last 24 hours make a case for more open government, not for less.

Abortion: why we must think again

Women now have complete freedom to choose whether to continue a pregnancy. But society should not tolerate the consequences

Partial birth abortion involves withdrawing the foetus until only the head remains inside, then piercing the skull and sucking the brains out until the head collapses. It is routinely used in America, but it is not known how often it happens in this country. A recent Parliamentary question from David Alton failed to elicit a figure from the Department of Health. Meanwhile, more than 50 MPs have signed an Early Day Motion, promoted by the Tory Elizabeth Peacock, attacking the practice.

Of course, the more familiar suction method of abortion – in which the foetus emerges in pieces which have to be counted to ensure nothing has been left behind – might be said to be just as horrific as partial birth. Either way a human body is butchered by the doctors.

So maybe Mrs Peacock's motion is irrelevant to the abortion debate. The details of abortion are always going to be nasty and they only add an emotional layer to an ethical argument already clouded, especially in the US, by irrational and occasionally lethal outbursts. Pro-lifers in this country are not so fierce and, as a result, most people probably think the abortion debate is an issue of the past.

This is a big mistake. The real abortion debate has yet to begin. It is now almost 30 years since abortion was legalised and things have gone badly wrong.

There are now 184,000 terminations annually in this country and 98 per cent of them are done for social reasons. Abortion is in effect available on demand – something that was specifically not intended by

Parliament – and even the clause that allowed a social justification was added only as an afterthought during the bill's progress. Furthermore, subsequent legislation, although reducing the legal limit on foetal age from 28 to 24 weeks, also made later abortions legal in cases of handicap. But, since handicap was not defined, almost any disorder, however



BRYAN APPELYARD

mild, can now be used as a justification.

So it is evident that, because of the way legislation has been framed, a huge gap has opened up between the pro-choice rhetoric of the Sixties and the actual practice of abortion. Abortion is available on demand when it was never intended to be and the hard cases – rape, incest and disability – which were used to convince people of the justice of the cause now only account for 2 per cent of terminations.

Maybe, even in the light of these facts, Parliament does not want to return to these difficult matters. But, sadly for quietist MPs, developments are likely to make things worse. First there is the matter of foetal suffering. Today a prolific group of MPs, which includes Mrs Peacock, is to issue a report based on medical evidence – notably from Professor Nicholas Fisk at Queen Charlotte's Hospital in London

– that strongly suggests that the foetus feels the pain of abortion. This raises a serious moral challenge to pro-choicers. It means, if true, that the foetus is not a mere piece of the mother, but a sentient being. The element of innocent pain enters the abortion calculus.

Secondly, we are at the start of an era in which there will be more reasons than ever to abort. The expanding science of genetics is transforming our ability to diagnose pre-natally. Assuming, as is likely, cheap and safe methods of isolating foetal cells are found, then, by reading the DNA, we shall soon be able to provide a bewildering array of forecasts about our child's future.

We can already know, for example, if the foetus carries any of the 4,000 rare but often disastrous single-gene disorders, such as cystic fibrosis, muscular dystrophy or Huntington's chorea. The next stage – on which billions of pounds of research funds are being spent – is to identify the genes involved in the more common polygenic disorders. These may include heart disease, cancer, schizophrenia and manic depression. And they may also include conditions we might not regard as disorders at all – a predisposition to homosexuality, shortness or even a tendency to criminal behaviour.

Huge problems arise with these kind of diagnoses. They will often, for example, be presented in statistical terms – your child has an X per cent chance of being schizophrenic or having a heart attack by the age of 40. Do you abort and try for something better? They will also create a new category of illness, in which people who are perfectly healthy at the moment



To the centre of life: the insight provided by genetics has given us more reasons than ever to abort

Photograph: Petit Format/Nestle/Science Photo Library

might be considered to be diseased because of their genetic make-up. But the most serious problem is that the only treatment doctors can offer for most genetic disorders is abortion.

Pre-natal testing is all about abortion. Geneticists may argue that knowing you are predisposed to heart disease gives you vital information which will encourage you to modify your lifestyle. But such testing can be done after birth. Testing before birth is just a way of leaving the abortion option open.

This will continue to be the case for the foreseeable future.

In spite of the deluge of stories about scientists finding the genes for disease or behavioural abnormalities – happiness was the latest – the reality is that there is, as yet, no sure route from the gene to treatment. Nobody can yet be said with certainty to have been cured by gene therapy and devising new drugs on the basis of genetic insights is a slow process that will not necessarily be successful. Furthermore, there is intense controversy over whether genes are the whole story. The idea of genes "for" something may yet prove

far too simple an approach to have any medical relevance.

The one certainty is that pre-natal testing and genetic information will increase rapidly in the next decade and the one sure treatment – abortion – will ever more frequently be applied. The handicap clause on our legislation may be invoked not just to cover muscular dystrophy but also predisposition to heart disease or even potential for criminality. By then it should be absolutely clear that our legal framework is largely meaningless. Of course, hard pro-choicers

will still say parental freedom must be protected – an unwanted child is a worse crime than abortion and reproductive decisions are too intimate for the state to get involved. But more lucid thinkers will see that society has an interest in its future and cannot simply stand

by while an avalanche of technology, much based on highly speculative science, promotes fundamental changes in our social structures. Mrs Peacock is right to try and stimulate the "yuk" response in her fellow MPs. Abortion is the issue of the future, not the past.

Ball-tampering, as a subject, strikes me as being about as interesting as boiler maintenance only without the, you know, frisson of danger. And the court case in which Imran Khan, Ian Botham and Allan Lamb are embroiled is, of course, more about snobbery and bitchiness than the ethics of unscheduled mid-over seam-adjustment; but the actual mechanics of it do puzzle me. Over the years I've watched the likes of Bob Willis and Jeff Thomson striding off to start their run-up and frantically rubbing the ball on their flannelled groins (usually accompanied by a Radio 3 voice murmuring, "I'll be interested to see if he can pull off one of his googlies") and I've concluded that a shiny-smooth surface must make the leathern orb bounce in some significant way that will fool the batsman.

Now, all the subtlety seems to have gone out of it. Imran Khan, I read, "admitted in a biography that he had once used a bottle top in 1981 when he was playing for Sussex". Sheesh. You mean he bowled the bottle-top overarm? Obviously not. I could only conclude that Mr Khan had somehow attached the bottle-top to the ball (Sellotape? Pritt?) in the hope of weighing it down on one side – but surely risking detection by even the blindest of umpires. The cunning devil (unless that's a deadly insult in Hyderabad). And will every other ball sport now yield up its tampering secrets? Will we find Dave Seaman rubbing a football on his groin to alter its wind resistance? Will Tim Henman risk the obloquy of his peers by sneakily attaching lead weights to one side of his yellow Slazenger balls as he serves for the match?

Conversations of Our Time. The most recent in this occasional series was overheard at the Masters of Music gig in Hyde Park a couple of weekends ago. A whole sporting gallery of rock hummies from Gary Glitter to Bob Dylan was crammed into the



Imran bowls



Parker-Bowles

THURSDAY DIARY

John Walsh

Bowlers with bottle and the cunning devils who take a shine to ball-tampering...

backstage tent, waiting to have their photograph taken for *Hell* magazine. Also there was the Prince of Wales, in understandably fan-loving, about-to-get-divorced-yippees-must-buy-a-Lamborghini mode. The Prince meets cool, rugged guitar hero David Gilmour, who has been contributing several bars (and a drive-on stage role) to The Who's rock opera, *Quadrophenia*.

The Prince (regarding Gilmour's burly frame): "However did you fit inside that hellboy suit?" Gilmour: "Actually I was the bus driver."

The P: "Ah yes. And who are you again?" DG: "David Gilmour. I have this little band called Pink Floyd..."

The P (muses for several seconds): "Mmmmm. Oh yes. Nick Mason. He's an architect as well, isn't he?"

DG (shortly): "He's my drummer."

The P: "But a bit of an architect on the side, surely?"

DG: "Yes but, since he never finished his course [at Cambridge] there's no danger of him putting up any monstrous carbuncles..."

End of chat. But why I hear you ask, would the newly-single Prince Charles happen to know Nick Mason from a hole in the wall?

Simple – Mr Mason bought Andrew and Camilla Parker-Bowles' gorgeous house when the couple agreed to separate. I expect he and the Prince have had many lively discussions about sofas, architraves and those hard-to-remove marks on the hall carpet.

When it comes to queuing, I've done my time. I've been there. I've queued for hours in Red Square to gawp at Lenin's embalmed form in the Mausoleum. I've stood in the all-Sunday-afternoon line for the Renoir exhibition at the Hayward in 1990, at the heartbreaking two-hour Ikea checkout, the all-time

queuers' nirvana that was the Tutenkhamun event. But there's something special about the queue to get on the Dragon River Ride at Chessington World of Adventure. For one thing, it shuffles forward through approximately three separate geographical levels: first you queue in a winding wooden corridor that meanders all over a little hillside; then you emerge into a more frankly concentration-camp-ish area, bagging and mewing in a human sheep-pen under the boiling sun; then you go indoors, expecting to set sail at last on the draconian swell, and find a third queue serpentine across a stairwell...

What strikes you, of course, is the correlation between the queuing-time and the actual experience time. You wait 45 minutes for a ride lasting 4 mins 5 secs. At the other end of the complex a horde of lost souls queue to get on the Vampire, a stunning roller-coaster with dangling black carriages like bats: it takes 1 hour 10 mins to get on a ride of 2 mins 11 secs. Elsewhere at Alton Towers, I understand, the Nemesis ride – all dangling arms and legs and near-fatal vertigo – lasts exactly 45 seconds and you have to queue over a weekend with ambulance helicopters and trauma counsellors standing by. If this goes on, some of us will spend half a lifetime waiting for a spectacular, if wholly unsophisticated, physical experience lasting just a few seconds. The sexual analogy is regrettable but, I'm afraid, inescapable.

My Irish brother-in-law was in town this week, bearing weird tales from the non-political end of the republic. My favourite concerns a family in Charleville, Co Cork, whose elderly father was a chronic dispenser of new-fangled inventions, from organic farming to cattle prods, and was always on the qui vive for signs of danger in the modern world. One day his eldest son was gathering a herd of cattle into the milking shed. After a long day in the fields, he had acquired a stone in his gumboot and, as he entered the shed, the son grasped the metal door-jamb with one hand and tried to shake the offending stone down to the toe of his boot. His father, working nearby, saw this affecting tableau and instantly concluded that his son was in the throes of electrocution. Knowing the importance of breaking the electrical circuit, the old man rushed over, seized a shovel and brought it down hard where his son's hand clutched the door. Later, in hospital, they agreed that a compound-fractured wrist was a small price to pay for the eternal vigilance of a loving father.



Who? said the Prince

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Governor opposed Chancellor's interest rate cut

PETER RODGERS
Financial Editor

Eddie George, the Governor of the Bank of England, opposed the quarter point cut in interest rates last month, minutes of his meeting with the Chancellor showed yesterday.

He added: "Six weeks ago the Governor and I differed by just one quarter per cent. The Governor agrees that by any standards it is a narrow debate."

meeting on 5 June say Mr George took the view that if "rates were reduced now, in order to guard against the risk to activity in the short term which then failed to materialise, then this would simply exacerbate the potential inflation pressure further ahead by adding to domestic demand which already - on the evidence currently available - looked set to accelerate."

what financial markets expected, the minutes added. A number of analysts said yesterday they now believed Mr Clarke would shave at least another quarter point off the current base rate of 5.75 per cent.

Mr George came into line with Mr Clarke in December, January and March when he agreed with the Chancellor's three small cuts in base rates. But since March, Mr George's concerns about the pace of growth and the risk to inflation have been rising, which he has made clear in public both in his quarterly inflation report

and in evidence earlier this week to the commons Treasury committee. The minutes spell this argument out in more detail. The Chancellor maintained that "the further evidence of a lack of cost pressures had improved the outlook for inflation; and he was content that a quarter per cent cut was sufficiently small not to cause any significant inflationary risk, while reducing the downside risks to the recovery. If consumer demand

started growing too strongly, and put the inflation target at risk, then rates could be raised when this became evident."

Wall St recovery calms markets

TOM STEVENSON
City Editor

London shares took their lead from Wall Street again yesterday, with the FT-SE 100 index closing 25.9 points higher as Tuesday's frayed nerves were soothed in New York by better-than-expected earnings figures from Intel, the microchip manufacturer.

Much of the volatility earlier in the week had been put down to worries over the health of the technology sector, which has been such a strong driving force behind the bull run of the past two years in America. Good figures from Intel were backed up by better than expected results from Ford and GE.

Concerns about earnings drove Nasdaq, the secondary market on which many technology stocks are listed, down 4.5 per cent in the first two days of the week but it recovered ground yesterday, as did the Dow Jones index of 30 leading stocks, which rose 71 points in the first 10 minutes of trading yesterday before settling to more modest gains.

"Intel was a godsend, and it helped turn the tide around today," said one strategist in New York. "Hopefully we've gotten all the bad news out of the way."

Shares were helped by a second consecutive rise in the US bond market which shrugged off unexpectedly strong house building statistics in June. The market considered the 1.3 per cent rise in the annual rate of housebuilding no more than a blip in an otherwise slowing picture, focusing instead on a 2.5 per cent decline in housing permits, and held on to the hope that US interest rates could edge lower.

One fund manager believed the stock market's rout in recent days could add to the slowing in the US economy and increase the chance of lower rates. "The public is getting a little taste of what the stock market can do to their perceived net worth."

A full fifth of the rise in the FT-SE 100 index was accounted for by rises in BAT, up 13p to 498p, and BP, up 7.5p to 592.5p, as investors looked for value among shares hit hardest by the gyrations on Wall Street earlier in the week. Analysts said a withdrawal of cash from mutual funds would be felt most by British stocks with heavy US shareholdings, such as the oil companies, drug stocks and conglomerates such as Hanson.

The UK market was also supported by smaller-than-expected rises in average earnings in June, although the benefit was offset by the issue of minutes of the June meeting between Kenneth Clarke and Eddie George, showing disagreement between the Chancellor and Governor of the Bank of England on the wisdom of cutting interest rates.

Analysts believe the difference of opinion made a further cut in the short term extremely unlikely.

Market Report, page 22

US media tie-ups: As News Corp splashes out, regulators say yes to a merger that dwarfs Disney and MGM finds a buyer

Murdoch set to be US television king with \$2.5bn offer

MATTHEW HORSMAN
Media Editor

Rupert Murdoch was poised yesterday to become the biggest owner of television stations in the US, following a \$2.5bn (£1.6bn) all-share offer for New World Communications.

The deal, which marks one of the media mogul's largest acquisitions in recent years, would give him News Corporation control of 10 additional television stations, bringing to 21 the number of Fox affiliates owned directly by the Murdoch television empire.

Each of the big three US networks, CBS, ABC and NBC, has a greater number of affiliates than does Fox. Mr Murdoch's US terrestrial television company, But none of them will own as many stations outright as News Corp if the New World deal is approved by shareholders and regulators.

Analysts said the merger would give Mr Murdoch the ability to showcase new programmes in 10 of the 12 leading US cities, thereby enhancing the value of repeat rights sold to cable and satellite in the lucrative secondary market.

The deal also gives News Corp control of an important US television production company, Stephen J Cannell, an extensive programming library, and a stake in Klasky Csupo, an animation company.

It is likely that programmes distributed in the US on the Fox network will continue to find a market later in the UK, where Mr Murdoch's 40 per cent-owned BSkyB is the big pay-television broadcaster. The X-Files and Melrose Place, both hits on Fox Television, started life on Fox.

The expanded "owned and operated" Fox network in the US could also prove instrumental in ensuring the success of Mr Murdoch's 24-hour news service, for which he has been seeking cable distribution.

"Television today is not just about content," one leading media analyst said. "What you need is some kind of guaranteed distribution." The deal brings together two powerful entrepreneurs in the form of New World's Ron Perleman, the billionaire investor behind the Revlon Group, and Mr Murdoch, whose A\$13bn (£6.6bn) company owns television, publishing and newspaper interests around the world. Mr Perleman, who controls New World, has given his blessing to the offer.

News Corp already has a 20 per cent holding in New World, which it bought in 1994 when the company agreed to switch

its affiliation from CBS to Fox. News Corp and New World held merger talks earlier this year, but could not agree a price. Since then, New World has been in negotiations to buy King World, a leading programme syndication company. Those talks have been suspended.

New Corp is offering 1.45 preferred limited-voting shares for each New World share, valued at about \$27, against a price of about \$24 offered by Mr Murdoch during the initial negotiations. Mr Murdoch will maintain his control of News Corp.

Yesterday's developments leave King World without a buyer, and analysts said News Corp was unlikely to proceed with the negotiations. King World's roster of games shows attracts much older viewers than those who have driven the growth of the Fox network in recent years.

Some analysts suggested yesterday that New World had entered into talks with King World only to force Mr Murdoch back to the negotiating table and to raise his offer.

The News Corp-New World deal was seen as a boost to the reputation of the traditional television business, which some have claimed would be destroyed over time by the advent of cable and satellite.

It also marks a further step in the consolidation of the television industry in the US, which has seen the main networks jockeying to obtain control of affiliates. By owning stations outright, big broadcasters can ensure distribution for their own programmes.

Mr Murdoch is understood to believe the mainstream broadcasting sector will remain profitable for decades to come.

But he has hedged his bets by establishing satellite systems and a new digital direct-to-home service in the United States.

He also unveiled a high-stakes alliance earlier this month with Leo Kirch, the Bavarian broadcaster, to launch digital satellite services in Germany, and plans to introduce digital television in the UK.



Top of the pile: Fox's acquisition of 10 additional television stations would make Rupert Murdoch the biggest US player

Time Warner merger approved

DAVID USBORNE
New York

After weeks of nervous delay, the mega-merger between Time Warner and Turner Broadcasting to create the world's largest media giant, surpassing even the Disney Company, is set to be formally approved by United States regulators.

Time Warner announced that staff members of the Federal Trade Commission, who had been holding up final consummation of the \$7.5bn (£4.9bn),

had agreed in principle to give it their blessing. A vote formalising the approval could be taken by the FTC commissioners as early as tomorrow.

Time Warner was the world's largest media company until the acquisition of Capital Cities-ABC, the US television network, by the Disney Company last year. By absorbing Turner Broadcast, Time Warner, headed by Gerald Levin, will now vault back into the number one position.

The announcement came at the end of weeks of tense negotiations between the companies and the FTC regulators over concerns that the merger, first announced last September, would lead to an unacceptable restriction of competition in the industry and notably inside the cable television sector.

The close scrutiny by the FTC had raised the spectre of the merger becoming unravelled. Such an outcome would have been a tremendous setback, especially for Mr Levin and Ted Turner himself. Most analysts had stuck to their belief that in time the FTC would

stand back and allow the merger to happen. It is likely now to be finalised in September.

"It came sooner than I think people were anticipating given the complexity of the deal and the parties involved," commented Jill Krutick, an entertainment analyst at Smith Barney in New York.

The principle focus of the FTC inquiry concerned the future role of Telecommunications Inc (TCI), the largest cable operator in the United States. The Colorado-based TCI, whose outspoken chief executive is John Malone, currently has a 21 per cent holding in Turner Broadcasting and will emerge from the merger with a 9 per cent stake in the new Time Warner.

Time Warner is the America's second-largest cable operator and owns the Warner Bros film studio, Time magazine and People as well as its record labels and the HBO cable channel.

The FTC deal will outlaw several concessions that had been offered to TCI, including the opportunity to carry Turner Broadcasting material, including the CNN news channel, at reduced rates. Time Warner will also be forbidden from discriminating against competing cable distribution companies in the supply of content.

Since then, MGM has recovered impressively, and was responsible for such recent hits as the James Bond vehicle Goldeneye, The Birdcage and Get Shorty.

Kerkorian wins battle for MGM

PolyGram, the Dutch entertainment giant, yesterday expressed frustration that it had lost out in the drawn-out auction for MGM, the Hollywood studio, which was sold for \$1.3bn (£840m) to billionaire Kirk Kerkorian and a management group led by chief executive Frank Mancuso, writes Matthew Horsman.

"We bid a fair and equitable price," a spokesman said yesterday. "We will continue to look for opportunities."

PolyGram, which had competed against Rupert Murdoch's News Corporation and Holly-

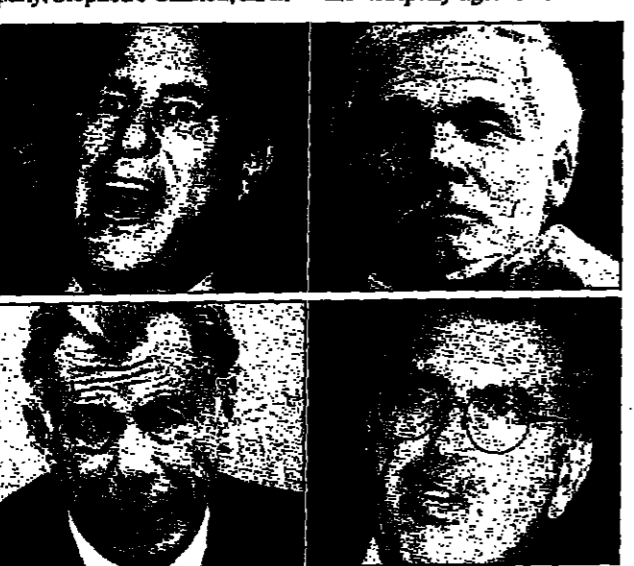
wood producer Morgan Creek to buy the troubled studio, believed it had been on the inside track until the last moment, when Mr Kerkorian made a dramatic eleventh-hour move to back the management bid.

PolyGram, which had been prepared to spend \$1.1bn, now intends to continue its search for a fully operational distribution network in the US, to build on its small Gramercy operation and to improve prospects for its extensive line-up of films.

The sale of the MGM studio, the last act in Credit Lyonnais' disastrous foray into financing

Hollywood acquisitions, will see Mr Kerkorian become an owner for the third time. He sold the studio to Ted Turner, the Atlanta-based owner of Cable News Network, and then bought back all but the film library a year later. The studio was then sold to the Italian financier Giancarlo Piretti in 1990, and seized by Credit Lyonnais in 1992.

Since then, MGM has recovered impressively, and was responsible for such recent hits as the James Bond vehicle Goldeneye, The Birdcage and Get Shorty.



At the cutting edge: (clockwise from top left) Ronald Perleman of New World; Ted Turner of Turner Broadcasting; Gerald Levin of Time Warner; and Kirk Kerkorian

Government backs BA-American deal

CHRIS GODSMARK
Business Correspondent

The Government has given its broad support to the proposed alliance between British Airways and American Airlines despite intense opposition from rival US carriers, the Transport Secretary indicated to MPs last night.

Sir George Young told a Commons transport select committee hearing that the tie-up, which would give BA/AA

around 60 per cent of flights between the UK and US, "could provide the basis for a liberalising of arrangements with the US."

The deal, which is being investigated by the Office of Fair Trading also requires anti-trust immunity in the US. This depends on the completion of an open skies agreement between the two governments.

The Transport Secretary said the conclusion of an open skies

deal would need the establishment of an independent tribunal with the power to stop anti-competitive activities such as predatory pricing.

Sir George's remarks disappointed rival US airlines who gave evidence to the committee on Monday. "I think his emphasis is on BA rather than on the consumer," explained Michael Whitaker director of international affairs at United Airlines. Earlier, TWA's presi-

dent, Jeffery Erikson, told MPs the combination of BA and American would have monopoly power and make monopoly profits but that TWA would accept the deal with an open skies agreement if BA/AA divested itself of some lucrative slots at Heathrow.

Intensive negotiations between the Department of Transport and US Departments of Justice and Transportation are expected to last several weeks.

Two previous attempts to negotiate an open skies regime, in 1993 and last year, collapsed when the US broke off talks.

It also emerged yesterday that several US airlines were briefed by BAA on the current availability of landing and departure slots at Heathrow. The meeting was also attended by US civil servants and a representative from the Office of Fair Trading.



Go-ahead: Sir George Young gave the deal his support

AEA Tech to be privatised

PETER RODGERS
Financial Editor

The Government is expected to confirm before the end of the month that the privatisation of AEA Technology is to go ahead later this year, and the company is believed to be on the point of winning its battle for a stock exchange flotation.

Ministers are not thought to have made a final decision yet, but if the company is floated in the autumn it is likely to be valued at about £200m. AEA Technology is the commercial arm of the UK Atomic Energy Authority, and the indirect nuclear link may give ministers food for thought because of the embarrassment of the British Energy flotation, where small investors have lost money this week.

AEA Technology was incorporated as a separate company earlier this year but had already moved away from its nuclear roots to become a science and engineering research and development business. It is based at Harwell in Oxfordshire, where the workforce has been slumped by a quarter over the last two years in preparation for privatisation.

Last month, the Government appointed Cazenove as brokers to work with merchant bank advisers Schroders in an indication that a flotation was probable. The specialist financial public relations firm Citigate has also been hired.

The chairman of AEA Technology, Sir Anthony Cleaver, has made no secret of his desire for stock market ownership, and has been pushing for an early decision because of the possibility that an election may undermine the privatisation.

The other option has been a trade sale of the business, to an international contract research or consultancy company, which would have the attraction for the Government of raising the money without the pricing risks involved in a flotation.

A stock market sale would represent the last privatisation of its kind before the election, and it would also be one of the smallest - as little as a seventh of the size of British Energy on current estimates of AEA Technology's value.

Though the company would be a challenge to value, there have been a number of successful flotations of small science-based businesses in recent years.

| STOCK MARKETS | | | | | |
|---------------|----------|--------------|------------|-----------|----------|
| FT-SE 100 | | | | | |
| Index | Close | Day's change | Change (%) | 1996 High | 1996 Low |
| FTSE 100 | 3658.20 | +25.90 | +0.7 | 3857.10 | 3632.30 |
| FTSE 250 | 4207.40 | +6.40 | +0.2 | 4568.60 | 4018.30 |
| FTSE 350 | 1836.20 | +10.70 | +0.6 | 1945.40 | 1816.60 |
| FT Small Cap | 2692.61 | +0.85 | +0.0 | 2244.36 | 1954.06 |
| FT All Share | 1818.03 | +9.97 | +0.5 | 1924.17 | 1791.96 |
| New York | 5389.46 | +30.70 | +0.6 | 5778.00 | 5092.94 |
| Tokyo | 21412.88 | +6.53 | +0.0 | 22668.90 | 19734.70 |
| Hong Kong | 10608.10 | -18.88 | -0.2 | 11994.90 | 10204.87 |
| Frankfurt | 2497.19 | +27.40 | +1.1 | 2593.49 | 2253.36 |

| INTEREST RATES | | | | | |
|-----------------|------|------|------|------|------|
| Short sterling* | | | | | |
| 1 Month | 5.55 | 6.00 | 7.93 | 8.23 | 8.05 |
| 3 Months | 5.31 | 6.00 | 8.85 | 8.41 | 7.02 |
| 6 Months | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |
| 1 Year | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |
| 2 Year | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |
| 3 Year | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |
| 4 Year | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |
| 5 Year | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |
| 10 Year | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |
| 15 Year | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |
| 20 Year | 5.56 | 6.00 | 8.85 | 8.41 | 7.02 |

| CURRENCIES | | | | | |
|------------|--------|--------|--------|--------|--------|
| Pound | | | | | |
| Yesterday | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 1 Month | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 3 Months | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 6 Months | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 1 Year | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 2 Year | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 3 Year | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 4 Year | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 5 Year | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 10 Year | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 15 Year | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |
| 20 Year | 1.5485 | -0.011 | 1.5560 | 1.5485 | -0.011 |

business

Record year strengthens Woolwich against bids

NIC CICUTTI

Woolwich Building Society's defence against any would-be takeover bidders was strengthened yesterday after it announced a record 29 per cent rise in half-year pre-tax profits to £183m.

Analysts said the rise, from £142m in the same period last year, meant that if a predator mounted a bid Woolwich would cost significantly more to buy. Rob Thomas, building society analyst at UBS, the Swiss banking group, said: "If one assumes that a takeover is based on a multiple of 13-times annual profits after tax, Woolwich may have increased its value by several hundred million pounds."

John Stewart, newly-appointed chief executive at Woolwich, denied, however, that the society had received any formal approaches from likely bidders, including Prudential. He said: "We are on track for conversion and flotation around this time next year."

The society's results were boosted by a doubling of contributions to £25m from its various subsidiary companies, including its unit trust and life businesses and both Spanish and Italian lending operations. Mr Stewart said: "At the 1995 half-year, [our] subsidiaries had contributed some 5.2 per cent of group profit. This year, for the same period, the figure is 13.5 per cent."

Woolwich said its 200-strong estate agency operation was also running at a profit and contributed 12 per cent of the company's lending and one-third of its life insurance sales.

Net mortgage lending, after redemptions, in the first six months of 1996 rocketed by 700 per cent to £1.67bn compared with the same period last year. Gross lending, which includes the acquisition of a £700m mortgage book from Midland Bank's French subsidiary, was up 138 per cent to £2.9bn.

Woolwich claimed that, with a housing market recovery finally in sight, profits from its core lending business were set to flow through at a faster rate than before.

Mr Stewart added that an end to the recession could also bring to a close the heavy reliance on discounted mortgages used to entice borrowers in the past two years. He said: "We would like to do it but it depends on other forces in the market. On our own we account for 5 per cent of lending, so if we went in alone it would make little difference."

The society's cost to income ratio, how much it costs to run Woolwich, dropped from 51.4 per cent last year to 45.9 per cent in the first six months of 1996.

Despite the positive reaction from analysts, many still said the society was a likely takeover target.

COMPANY RESULTS

| | Turnover £ | Pre-tax £ | EPS | Dividend |
|----------------------|---------------|---------------|-----------------|--------------|
| HP Bulmer (F) | 259m (247m) | 37.5m (25.0m) | 32.8p (29.5p) | 13.2p (12p) |
| Celebrated Group (F) | 5.06m (3.85m) | 0.52m (0.22m) | 2.35p (2.23p) | 0.27p (-) |
| First Technology (F) | 38.2m (32.9m) | 7.3m (6.3m) | 30.07p (26.46p) | 8.5p (-) |
| Robert H Lewis (F) | 13.7m (7.0m) | 0.91m (0.68m) | 0.88p (0.78p) | 0.19p (0m) |
| Medeva (F) | 129m (116m) | 33.9m (26.9m) | 7.2p (6.2p) | 1.65p (1.4p) |
| Media Business (F) | 108m (93.1m) | 1.22m (0.92m) | 0.36p (0.31p) | 0.09p (-) |
| Nova Group (F) | 50.2m (40.5m) | 2.93m (2.71m) | 13.33p (15.23p) | 6.2p (6.2p) |
| Savills (F) | 40.0m (35.3m) | 4.1m (3.5m) | 6.7p (5.9p) | 2.9p (2.9p) |
| David S Smith (F) | 1.22m (1.03m) | 125m (99.7m) | 30.3p (25.2p) | 7.5p (6.5p) |
| Warrington (F) | 27.1m (26.4m) | 2.01m (1.79m) | 5.7p (5.2p) | 2.5p (2.2p) |

(F) - Final (I) - Interim

Medeva on its way out of the woods

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Medeva is showing signs of growing up after five years of heady expansion. In April, Bernard Taylor, the former Glaxo chief executive who chaired the pharmaceutical group during its formative years, bowed out, following the footsteps of Ian Gowrie-Smith, the group's founder. But Medeva has survived the loss of two key figures and is starting to convince the City that it has a coherent strategy for developing into a serious drugs company.

But yesterday's half-year figures to June show that it is not yet out of the woods. Pre-tax profits rose a healthy 17 per cent to £33.9m, but they remain heavily dependent on methyphenidate, an unbranded treatment heavily used in the US for hyperactive children said to be suffering from attention deficit disorder. Medeva's reliance on a product based on a controlled drug which, over the next year or two, could be subject to competition from up to four rivals, has unnerved the stock market.

There are continuing fears that the powerful Food & Drug Administration in the US could clamp down on what is still a controversial treatment and, despite its 25 per cent sales growth in the first half, the market is clearly slowing down. Analysts expect the growth rate for methyphenidate to decelerate to 5 per cent from 15 per cent in the current year.

Given external estimates that the drug could represent as much as 60 per cent of operating profits, that puts the onus on Medeva's newer drugs. It is the growing conviction that these can take up the running from methyphenidate that is starting to turn sentiment in Medeva's favour.

One of the most exciting is a whooping cough vaccine, codenamed 69KDa, which will form part of a SmithKline Beecham triple vaccine. That has just won approval from a crucial FDA committee and one observer expects 69KDa to be contributing royalty income of nearly £22m by 2000. Hepagene, a hepatitis B vaccine, is another product under development with substantial potential, given the 500 million carriers of the disease in Asia alone.

But the best near-term prospects lie with the Rochester New York-based business of Rhone-Poulenc Rorer, acquired for \$370m (£239m) last month. Ionamin, a treatment for the chronically overweight, has the potential to be another methyphenidate. Sales have grown from almost a standing start to \$26m over the past five years and it now sells into a market which has ballooned from \$80m to \$200m over the past 18 months.

Dangers remain for Medeva. Its large generic portfolio is easily attacked by competitors, as the continuing fall in sales of its respiratory and hospital products shows. Its figures will also remain obscured by the £360m of deals done over the past 18 months. But prof-

its before exceptionalists of just over £100m this year, rising to above £120m next, would put the shares at 234p, up 7p, on a forward multiple of 10 for 1997. Worth holding, with the outside chance of a bid adding spice.

New fields boost David S Smith

David S Smith has come a long way in the past five years since new management came into the business and transformed it from a company almost wholly dependent on paper making to a better balanced paper, packaging and office supplies distribution group.

Albeit from a low base, sales and profits have soared during that time and the share price, just 120p in August 1992 rose steadily to a high of 332p last summer. Since then, however, it has stagnated as the market looked beyond the rescue phase and questioned where the next stage of growth would come from.

Yesterday the share price closed unchanged at 295p despite a better-than-expected 25 per cent rise in pre-tax profits for the year to April from £99.7m to £124.6m. It was a harsh reaction to a 20 per cent earnings per share increase to 30.3p (25.2p) and a 15 per cent hike in the dividend to 7.5p.

What troubled investors was a

curiously cautious statement from Peter Williams, Smith's Canadian chief executive. Trading, he said, had started well this year but he expected progress from packaging and distribution to be more than outweighed by continuing weakness in the paper operation, which has just navigated one of the choppiest periods for waste paper pricing that anyone in the business can remember.

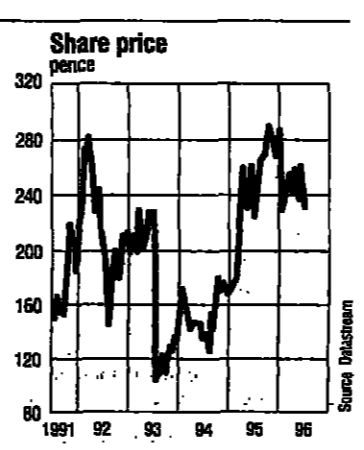
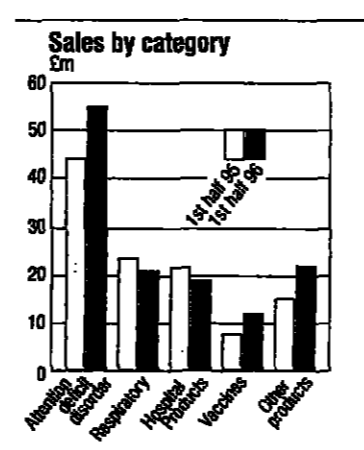
Analysts took that to be a fairly strong hint that profits this year are unlikely to rise above about £120m, although the range went as high as £130m last night, with up to £145m pencilled in for the year to 1998. At yesterday's close that suggests a far from demanding price-earnings ratio of 9.5 to next April.

The problem with the shares would appear to be a poor understanding of how Smith has changed over the past few years - it is still essentially rated as a cyclical paper company and little credit is given for the more reliable, better quality earnings from the other two legs.

B2V, which recently did a sum-of-parts valuation of the three operations, thinks a market p/e for both packaging and distribution and a premium valuation for the paper arm to reflect its exposure to the growing recycled-paper market best reflects Smith's true value and comes to a target about 50p higher than the current price.

Market value: £811m, share price 234p

| Trading record | 1993 | 1994 | 1995 | Half year 1995 | 1996 |
|-----------------------------|------|------|------|----------------|------|
| Turnover (£m) | 200 | 240 | 256 | 116 | 129 |
| Pre-tax profits (£m) | 46.1 | 64.2 | 79.0 | 28.9 | 33.9 |
| Earnings per share (pence) | 11.4 | 13.8 | 16.4 | 6.1 | 7.0 |
| Dividends per share (pence) | 2.7 | 3.3 | 4.0 | 1.4 | 1.65 |



Whatever you think of that approach, the fact is that Smith is operating in a long-term growth market, is highly cash generative and has a proven record of investing well to produce a steady improvement in margins.

Gearing is manageable and the benefit of several completed investment projects should start to show through in coming years. Good value.

Lowe kits up for expansion

When David Sebire became chairman of Robert Lowe, the Cheshire-based sportswear and packaging group, in 1992 he inherited a rag-bag of businesses. The company was in the unfortunate position of supplying baby clothes to Marks & Spencer, jeans to Wrangler and making Pierre Cardin ties under licence.

All these went in a big clear-out which included Babygro, Lowe's loss-making and biggest problem child. A financial restructuring followed and Lowe was left with two divisions: replica football kit manufacturing and packaging board products - that still sit uneasily with each other. It is hardly the ideal starting point but Mr Sebire is making a decent fist of it.

In the six months to April pre-tax profits rose 70 per cent to £907,000 on almost doubled sales of £13.7m. The turnover figure included a maiden £2.7m contribution from Majoca, a corrugated packaging business, bought for an initial £2.2m in December.

Lowe is the market leader in replica sports kits. But unlike Umbro, a rival sports shirt manufacturer, it is not marketed as a brand name and for obvious reasons. "Aim Lowe" lacks a certain ring. Clubs that wear Lowe's shirts include Liverpool and Newcastle, but it was the 1994 World Cup and Euro 96 that have been the real drivers behind the sportswear division's annualised sales doubling to £17m in that period.

Packaging, however, is where Mr Sebire sees the greatest growth potential. It makes up 41 per cent of sales with Nelsons, a Manchester-based labels supplier for the likes of Silentnight and Slumberland, particularly benefiting from the improved housing market. Increased consumer spending in the run-up to an election would obviously help the division.

Lowe is keen to expand further in niche label markets such as cosmetics and toiletries though few good opportunities are left in higher-margin areas such as health care.

House broker Greig Middleton looks for pre-tax profits of £2.1m, implying a p/e ratio of under 12 with the shares up 1.5p at 22.5p. Good value.

Firms may have to reveal derivative dealing

ROGER TRAPP

Companies will be required to disclose the extent to which they are using potentially ruinous derivatives and other financial instruments if proposals published by the Accounting Standards Board today are accepted.

The plans, contained in a discussion paper, form half of a concerted attack on a complicated area of accounting. The board is optimistic of being able to introduce a standard on disclosure in a few months. But it acknowledges that producing a standard on the other half of its attack - dealing with measurement and hedge accounting issues - could take several years because it is much more complex.

Sir David Tweedie, chairman of the ASB, said his body wanted to move urgently on disclosure because companies could be destroyed by making significant use of derivatives and readers of their accounts would know nothing about it.

The proposals are largely consistent with those already required in the US and under international accounting standards.

Financial instruments include non-derivatives, such as loans, bonds and borrowings, and derivatives, such as swaps, forward contracts and options.

Derivatives can cause great problems because they are easily acquired, often at a minimal cost, and their values can change rapidly, as has been seen in such cases as the Orange County bankruptcy and the loss at the German commodities group Metallgesellschaft.

The ASB recommends that the disclosures be included as part of the Operating and Financial Review, rather than published as a separate entity, on the grounds that that would lead to bland statements.

While it has had an encouraging reaction from auditors and users of accounts on disclosure, the board is expecting strong protests over measurement and hedge accounting.

By recommending a current value rather than a historical cost approach, the board is calling for a fundamental change to current practice.

In recognition of this, the board has described the proposals as "tentative" and given interested parties until 31 October to comment.

Gerry Acher, head of audit and accounting at KPMG and chairman of the Institute of Chartered Accountants' audit faculty, confirmed the board's suspicion that practitioners would object to the approach to hedges, saying: "We are not convinced that the problem warrants the radical solution which the ASB suggests."

However, he was supportive of the disclosure proposals, and endorsed the board's view that they should be deemed best practice in this country and adopted voluntarily without delay.

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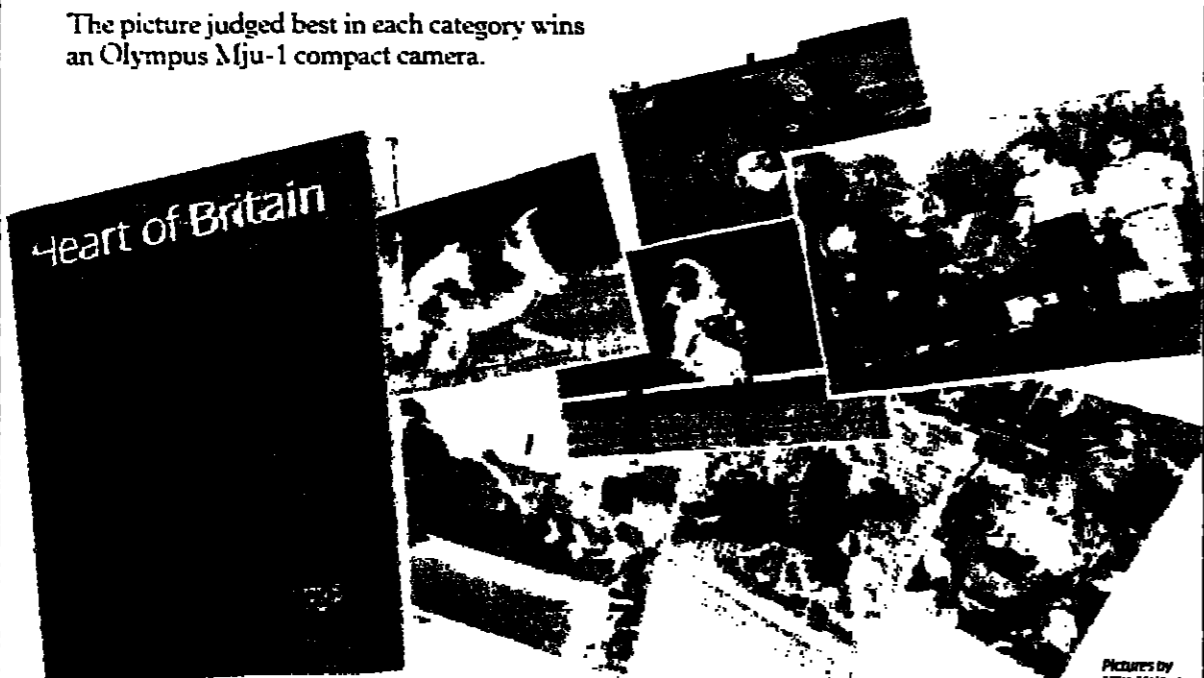
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Bulmer beats cider tax

TOM STEVENSON
City Editor

The country's largest cider manufacturer, HP Bulmer, whose brands include Strongbow and Woodpecker, is to cut the strength of its premium brands to avoid a 50 per cent tax surcharge on strong ciders. The new tax, announced at last year's Budget, is due to be imposed in October.

From the beginning of that month Bulmer is planning to sell a version of White Lightning with an alcoholic strength of 7.4 per cent by volume, just under the level at which the excise tax rate kicks in. Thanks to inconclusive market research, suggesting con-

sumers are unsure whether they want their cider to be powerful or cheap, the company will continue selling its original 8.4 per cent brew at a higher price.

News of the dual branding accompanied profits for the year to April 10 per cent higher at £27.5m before a £2.1m exceptional charge. Earnings per share of 32.9p and a dividend of 13.2p rose by a similar margin.

John Rudgard, chief executive, said the cider market continued to grow strongly in the UK, with 15 per cent growth overall driven by a 20 per cent increase in the buoyant take-home sector. Bulmer claimed 28 per cent growth for its own off-licence sales and estimated that

its share of the on-trade had risen to 53 per cent compared with the 43 per cent attributed to the newly combined Gaymer-Taunton operation owned by Matthew Clark.

The two companies now dominate the UK cider market, with Bulmer adding to its share after the year end with the acquisition of Inch's Cider Company in May.

Mr Rudgard said Bulmer would not be following Bass and Merrydown into the alcoholic lemonade market despite the impressive success of the drinks and the danger that they would take market share from cider. Bulmer's shares closed 3p higher last night at 589p.

Challenge Angela: no leaping around, just regulatory structure

CITY DIARY

JOHN WILLCOCK



Angela Rice: Not to be confused with the Economic Secretary

restrial station. Apparently, a significant number of re-tuners hired so far, especially as supervisors, have been ex-politicians and Freemasons.

The former plods know their way around their local areas and can vet new tuners, sifting reliable people from bad. The same apparently goes for the Masons.

A London-based spokesman for the Masons is bemused: "It's the first I've heard of it. How absolutely baffling."

A Channel Five spokeswoman confirms that they have hired two policemen so far - but has not heard of any Masons. Steady with that trouser leg, son.

Westminster Health Care had a drinks party last night at its Leicester Square office - but it was not the victory celebration it had expected.

Having suffered defeat in its hostile bid for Goldborough Healthcare, Westminster and its advisers from

Barings and Cazenove had to content themselves with a farewell party for the company's finance director, Kent Phippen, who is returning to the US.

The triumphant Goldborough had its own victory knees-up at the Savoy the night before. One Standwick PR man working for Goldborough was so pleased he phoned Westminster's spin doctors, Financial Dynamics, to preen himself, much to the disgust of FD. "It was intruding on private grief," said one FD operative.

It's an ill wind and all that. As the City braces itself yesterday for another one-day Tube strike, young ladies at underground stations were handing out leaflets with a big black heading: "Notice of Cancellation July 1996."

Thinking this must be news about the strike, most commuters accepted the leaflets. Then they read on: "Legal & General announce that initial charges on all their unit trusts have ceased to exist."

L&G apologise to the competition for the inconvenience caused. "Hilarious."

Even funnier - ads have gone up inside Tube stations for "customer relations staff". What a time to be starting.

هكذا من الامم

Firms
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to reveal
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dealing



COMMENT

'He is living proof that the winning strategy is not necessarily to make a choice between content and distribution'

Murdoch gives a lesson in making TV pay

Rupert Murdoch may be due one of his periodic brushes with disaster (on past form, once every seven or so years) but there certainly no signs yet of his slowing down. A day after his \$1.1bn bid for the MGM studio in Hollywood was beaten by the intervention of billionaire financier Kirk Kerkorian, Mr Murdoch calmly offered \$2.5bn worth of News Corp stock to deepen his commitment to US broadcast television, snapping up 10 television stations owned by New World.

Given how well he is doing out of TV in the UK, there are probably some worthwhile lessons in the Dirty Digger's latest manoeuvres across the Atlantic.

The first thing to realise, as Mr Murdoch has long known, is that there is plenty of money still to be made in boring old analogue television. Despite the huge inroads made by satellite and cable in the US, the major networks still represent more than half of all viewing in American homes.

But there is a more subtle lesson. Mr Murdoch is living proof that the winning strategy is not necessarily to make a choice between content and distribution. If done right, controlling both the content (movies and TV programming) and the means of distribution (terrestrial, satellite, cable) can be highly lucrative. In the case of Mr Murdoch's Fox network in the US, he will now be in the position to showcase his programmes across the country, in most of the major markets, thereby increasing the chances of generat-

ing a hit. A hit on terrestrial means syndication profits down the road, through the secondary markets of cable and satellite. With tighter control over his terrestrial distribution network, chances are that other hits will come along.

And to crown it all, Mr Murdoch, who has reached a ground-breaking alliance with Bavarian media mogul Leo Kirch, has found himself another highly talented partner, in the form of Ron Fournier, controlling shareholder of New World. In this company, and with television prospects looking rosy, why on earth does Mr Murdoch keep all those tired newspapers he owns?

Weinberg unlikely to cut much ice

A week which has seen small investors lose their shirts on British Energy is not the obvious time to publish a report examining how private share ownership might best be encouraged. As it happens the timing of the Weinberg Committee's report on this subject is probably academic since its 17 members have laboured long - though not that hard - to produce a gem.

To give the report its due, the explanation of how and why private investors have grown phenomenally in number while private share ownership has shrunk equally phenomenally by value is comprehensive, as is its analysis of the deterrents to deeper share ownership.

But the ragbag of special pleading, apple pie and motherhood that make up its recommendations are unlikely to cut much ice. Its most tangible proposal - that tax breaks which currently apply to PEPs be extended to direct share ownership - is spurious since it simply widens rather than removes a distortion in the tax system.

The idea, meanwhile, that courses in personal financial awareness should be included in the national curriculum comes from the same school that believes advertising should be allowed in classrooms. The real disincentive to private share ownership, as the report acknowledges in passing, is the perception that the market is run for those in the know. This is more than a perception, it is a reality. Small investors experience it every time there is a share buy-back, tax-efficient special dividend or derivatives deal.

Getting to grips with the enormous privileges and advantages the professionals enjoy might change that reality. But such remedies could hardly have been expected from a committee that was appointed by those self same professionals in the shape of the London Stock Exchange itself.

Eddie George's timing may be right this time

There is an old saying that if you have to forecast a market movement, give the timing or the direction but never both. Eddie

George certainly got his timing wrong last year when he wanted to raise interest rates to head off inflationary risks, and Kenneth Clarke was quite right to insist on overruling the governor's excessive caution.

The minutes of the last Ken and Eddie show when the Chancellor chose to ignore the Governor's advice and cut rates, confirm that Mr Clarke still believes he is on a winning streak. The masses ranks of the Tory back benches certainly hope so.

With difficulties piling up on the tax cutting front because of poor public borrowing forecasts, interest rate cuts will be a welcome tonic at the busings. Realpolitik dictates that they will probably be shaved further.

But over at the Bank of England, a year after getting it so completely wrong, Mr George is singing again from the same puritanical hymn book: this time the message is don't cut rates because the gains outweigh the longer term inflation risks. Mr George may, however, be about to get his timing right in his argument with the Chancellor, if only - the cynical might say - because he has been singing a similar song for so long.

Last month was the first time he has disagreed with a cut. He is also talking more bluntly about the inflationary risks two years out. There will be a need at some point to reverse the falling trend in rates, he says.

Manufacturing is weaker than it should be, many small businesses are finding it hard to grow, and earnings growth showed a surprise fall last month. But consumer spending is

showing every sign of taking off and the housing market is bouncing, a recovery that is bad rather than good news.

The benefit of the doubt in this finely balanced argument between the pessimists and the optimists on rates should at last be given to Mr George - though given the election pressures on Mr Clarke, he will be ignored at least once more.

And the award for the most repugnant public relations stunt of the year goes to Scottish Life International, which stuffed 79 live pigeons into cardboard boxes, left them without food or water overnight, and yesterday sent them to personal finance journalists. No doubt Scottish Life calculated that this little wheeze would attract publicity for the obscure financial product it was promoting. But it probably did not figure on attracting the attention of the RSPCA, which is considering whether there are grounds to prosecute. At the very least heads should roll in its PR agency and marketing department and perhaps at more senior levels. A more satisfactory punishment, however, would be financial retribution. It may be unrealistic to expect Scottish Life's existing policyholders to move elsewhere since by surrendering policies they would only be penalising themselves. But prospective customers should vote with their feet, which was not an option open to Scottish Life's pigeons.

British Gas pays consumer group over complaints

CHRIS GODSMARK
Business Correspondent

British Gas has offered a "six-figure sum" to the Gas Consumers Council to help it cope with a flood of customer complaints that continue to erode the company's battered image.

The Council says it has been swamped with calls from customers who have been unable to get through to British Gas phone lines.

The GCC says it received 9,000 such calls at its offices in May and June alone, which should have been dealt with directly by British Gas.

Ian Powe, director of the council, raised the problem during talks yesterday with the managing director of British Gas Trading, Mike Alexander. Under the company's radical decongestion plans, BGT is the subsidiary that sells gas to 18.5 million homes and businesses.

The extra funds, understood to be up to £500,000, will significantly boost the GCC's £3m budget, the bulk of which already comes from British Gas, via the Treasury. The money will pay for a new call centre and additional telephone staff in the Council's 11 overstretched regional offices.

British Gas refused to elaborate on the size of its offer, which is believed to have been made to the Energy Minister Tim Eggar, but described it as a "goodwill gesture".

It said that "clearly with the advent of competition the workload of the GCC will increase ... and it is in everyone's interest that the GCC can extend its monitoring capacity".

BGT blamed the increasing complaints on its 18-month programme to replace computer billing operations. More than 60 separate systems in 12 regions are being merged into a single, huge database at a cost of £150m.

A spokesman said: "With work on that scale you're bound to get teething troubles."

British Gas has almost finished cutting 25,000 jobs from its UK workforce. However, the spokesman denied the GCC's charge that customer service posts had been culled in the reorganisation. He said: "There are as many people working in customer service roles as there were in 1994."

Mr Powe welcomed the extra cash but warned it was only a temporary measure. "The solution lies with British Gas in solving its own difficulties and putting more resources into correcting them."

The news comes on the eve of figures from the GCC which will show an increase of more than 50 per cent in complaints against British Gas in the first half of the year, to record levels.

The complaints are a further embarrassment for British Gas as it prepares for the start of nation-wide domestic competition, due in April 1998. It has already lost more than 10 per cent of residential customers in the trial run of competition in the South-west, which began in May.

Yesterday Swalec became the latest regional electricity company to pile in to the domestic gas supply market, announcing its intention to compete with British Gas when full competition is established.

Swalec said it aimed to cut average bills in South Wales by up to 20 per cent. The company has been selling gas to business customers for four years and chief executive John Roberts said it was set to become a gas supplier for many of its 870,000 domestic customers.

The company also announced the start-up of "Swalec Gas Care" - a breakdown and annual service scheme designed to compete against British Gas's Three Star product.

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Iceland cools Somerfield's flotation hopes

PATRICK TOOHER

Somerfield's hopes of a successful stock market flotation next month received a serious setback yesterday when rival food retailer Iceland issued a profits warning.

The news could not have come at a worse time for Somerfield, Britain's fifth-largest food retailer, as it tries to drum up support among institutional investors for its offer, which closes next week.

It hopes to raise between £540m and £570m at an indicative price of 180-190p, at the top end of City expectations. But analysts increasingly believe that Somerfield, headed by David Simons, may have to lower the asking price or even pull the issue altogether.

"The Iceland profits warning has big implications for Somerfield," said Philip Dorgan, retail analyst at Société Générale Strauss Turbott. "Pulling the flotation was always a possibility, but that prospect is bigger now. You have had talk about Tesco launching a rights issue to fund a possible purchase of Decca de France, then dodgy stock market conditions but the Iceland news is by far the most significant."

Shares in Iceland tumbled 24p to a five-year low of 118p after the frozen food specialist said first-half profits would be 10 per cent lower than a year earlier because of sluggish sales and weaker margins.

"The bigger guys are getting bigger and tougher and the small guys are getting squeezed," said Bill Myers of broker Williams de Broe. "It's not an industry where it is good to be small."



Setback: David Simons may have to pull the Somerfield float, analysts believe

Photograph: Tony Buckingham

The news prompted analysts to cut their pre-tax profit forecasts for the year to about £62m from £73m. But Iceland, which last year promised to give back surplus cash to shareholders, is still expected to raise its dividend by almost a fifth to 6.25p, yielding 6.6 per cent. At its offer price, Somerfield stands on a lower historic yield of between 6.3 per cent and 5.9 per cent.

"Somerfield has been priced against Iceland and Kwik Save," Mr Dorgan continued. "It'd be a big seller at 180p."

"To match Iceland's yield, analysts noted that shares in Somerfield would have to be floated at about 170p, valuing the company at £510m.

Falling share prices in London and New York have dented confidence in the new issues

market. Shares in nuclear generator British Energy went to an embarrassing discount this week while Monsoon, the fashion retailer, abandoned its flotation plans last week.

And some analysts, worried about Somerfield's position in the cut-throat food retail market, reckon the company is worth as little as £450m. However, Somerfield denied the Ice-

land profits warning would have an impact on potential investors. Doubts over the float will raise concerns among Somerfield's creditors. Some £192m of flotation proceeds will be paid to the Somerfield holding company to reduce its debt. The remainder will be passed on to the previous holding company, Isoceles, which is expected to pay its senior creditors in full.

IN BRIEF

• Swalec's chief executive, John Roberts, said the company was set to become a gas supplier for many of its 870,000 domestic customers in South Wales when the gas market was opened up to full competition. Swalec has been selling gas to business customers for four years. The company also announced the start-up of Swalec Gas Care - a breakdown and annual service scheme designed to compete with British Gas's Three Star product. The service will cost £29 a year for the breakdown service and an extra £30 for the annual central heating service.

• Sema, the software group, is paying a total £64.2m for Syntex, the Italian information technology services company owned by Olivetti. Sema also announced a two-for-11 rights issue at 59p, raising £99m. In 1995, Syntex made operating profits of £6.3m from sales of £88.8m.

• Imperial Tobacco Group, owned by Hanson, has acquired Dutch cigar maker Cadena Claassen for an undisclosed sum. Cadena Claassen produces 43 million cigars a year under the Cadena and Carl Upmann brands as well as private labels.

• ScottishPower, which on Tuesday declared its increased offer for Southern Water unconditional as to acceptances, said elections have been received under the share alternative in respect of 99.7 million new ScottishPower Shares. As a result, the maximum number of new ScottishPower shares which may be made available under the rights issue has been reduced from 235.7 million to 116.1 million.

• East Midlands Electricity is cutting the price of supply by 5 per cent from October. It is the second price cut by the regional electricity company this year and takes effect for meter readings from the beginning of this month.

• Metallgesellschaft's supervisory board could meet on Saturday to decide on an out-of-court settlement with the company's former chief executive Heinz Schimmelbusch, a spokesman said. Last year, the company filed a DM25m (£16m) damages suit against Mr Schimmelbusch in connection with oil trading losses that brought the company close to collapse in 1994. German press reports claim that the company has now offered Mr Schimmelbusch almost DM5m by way of a settlement.

• Executives in multinational corporations asked to transfer from one European country to another are most put off by concerns over children's education, dual-career families and quality of life, according to the latest "management moves in Europe" survey by remuneration advisers Monks Partnership.

• Accountants' pay awards in some sectors are running at levels last seen in the late 1980s, according to research from Hays Accountancy Personnel. The average increase across business, public sector and public practice has risen to 4.1 per cent in the past six months, after slipping from 4.6 per cent to 3.5 per cent in the second half of last year.

• Due to a printing error, the article on tax-cutting policies by Christopher Johnson on Monday said there would be a saving of £17bn on servicing the national debt. The figure should have been £7bn.

English China Clays faces serious shake-up

MAGNUS GRIMOND

A large-scale shake-up at English China Clays, the world's biggest producer of minerals for the paper market, was in prospect yesterday after the group warned that continued destocking in the paper industry had hit first half trading.

ECC said it was involved in "an intensive review to address the group's strategy and performance improvement". Analysts warned that this could involve a fundamental restructuring of the business and said a cut in the dividend was a serious possibility as profit forecasts were slashed for the fourth time in as many months.

ECC's shares sank 11p to 243p, the lowest level for over five years, on this latest blow to sentiment. Since the preliminary results were announced in March, Dennis Rediker's first

since taking over as chief executive from Andrew Teare, City projections of current year profits have nearly halved, tumbling from just short of £100m to as low as £52m or so yesterday. At that level, profits would be insufficient to cover the dividend, which absorbed £51.1m in after-tax profits last year.

ECC is heavily reliant on the paper industry, which is a big customer for the group's kaolin and calcium carbonate products for use in coating and "filling" paper. It has been hit by destocking, which first became evident at the end of last year. In a statement yesterday, the group said low production rates at paper mills had caused "severe" trading conditions in the second quarter of the year.

European mineral volumes had slipped 16 per cent against the first half of last year, while in the US AmPac business, un-

derlying volumes were down 11 per cent, when the effects of last year's acquisition of the Genstar calcium carbonates operation were stripped out.

Margins have been hit in all divisions, with the effects of lower volumes at AmPac exacerbated by product mix and manufacturing efficiency problems. As a result of poor trading, cash flow has fallen from last year and, with higher capital expenditure, net borrowings have climbed from £189m to £213m over the six months to June.

The news prompted analysts to cut forecasts by up to £18m, leaving a wide range of current-year expectations from £52m to £69m.

One analyst said the continuing problems of the market were not a great surprise, but added that the company had problems of its own in North America.

Costain hits back at critics

PATRICK TOOHER

Costain, the troubled construction group, yesterday rejected criticism made by a large Middle East shareholder against a controversial refinancing plan and urged investors to vote in favour of the deal next week.

The Kuwaiti construction firm Kharafi, which owns 19 per cent of Costain, has accused the company of trying to railroad investors into accepting the rescue, saying it would vote against the plan at a shareholders' meeting in London on Monday.

But yesterday Costain hit back. "The proposals are the only realistic [ones] available to

secure the future of the company for shareholders," a statement said.

Costain also noted that a recent circular sent to shareholders made it clear that the rescue package was the only way of securing continued support from the banks to continue trading. "Any suggestion of a three-month moratorium is therefore unrealistic," it added.

Costain's chief executive, Alan Lovell, has threatened to put the company into administrative receivership if the proposals are rejected.

The rescue deal involves a £73.6m share issue which would give up to 40 per cent of the en-

larged share capital to a Malaysian construction group, Intria Berhad. Costain's bankers could be left with up to 35 per cent, depending on the take-up of the three-for-one offer at 50p by existing investors.

Costain said it had received strong support from UK institutional shareholders. Its hopes of securing approval for the deal received a boost on Monday when M&G, which speaks for 7.36 per cent of Costain, came out in support of the deal.

However the outcome of the vote is likely to hinge on Saudi-based Raymond International, which holds 19 per cent. It has yet to comment about its intentions.

EU change to takeover procedures resisted

MICHAEL HARRISON

A cross-party committee of peers has called on Brussels to abandon proposals for a European takeover directive which would replace Britain's non-statutory arrangements with a legally-binding system for controlling behaviour during bids. The House of Lords Select Committee on the European Communities said that harmonisation gains from adopting the directive would be outweighed by the damage it would do to existing arrangements in the UK where the Takeover Panel supervises contested bids through the application of the City Takeover Code. The Panel has launched a fierce rearguard action to have the directive ditched, warning that it would create a lawyers' paradise with target companies running to the courts to frustrate hostile bids.

In a 160-page report released yesterday the Lords committee says the directive might prevent the Panel from applying the Takeover Code with sufficient certainty and flexibility and increase the risk of "tactical litigation". The committee also concluded that the directive did not meet the requirements set down by the EU for subsidiarity - the principle that, wherever possible, decision-making is devolved to national level - while safeguards in the directive to discourage target companies from appealing to the courts were insufficient.

The UK's efficient system for the regulation of takeovers "should not be put at risk without substantial and clearly identifiable benefits", said the report.

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Leave moral judgements out of international trade

The Uruguay Round of international trade negotiations, concluded in 1994, leaves an agenda of unresolved issues. One of the most important is how the trade system should deal with labour standards. The US (supported by some European countries, notably France) seeks to restrict access to its markets by countries that have unacceptable policies on issues such as trade union rights, child labour and prisoners' labour.

Although, at first, this looks like a valuable attempt to improve the conditions of some of the most disadvantaged citizens of the world, we should be very cautious about imposing our moral judgements on other countries.

The effects may be the opposite of what we want. We would prefer children in the Indian subcontinent to be in school rather than in sweatshops, but refusing to buy the products of sweatshops is more likely to push children on to the streets than into school. Refusing to buy the products of prisoners' labour will make prison conditions worse, not better.

A system which lets us impose our moral judgements on other countries must also help them impose their judgements on us. I deplore discrimination against women in Saudi Arabia, but I would rather leave that to the Saudi people to sort out in their own way than to give the present Saudi government any influence on the economic prospects of my daughters.

Once we put national policies on the international agenda it is very difficult to draw the line. There is a "moral majority" in the US who feel very strongly that abortion is



ECONOMIC VIEW
ALASDAIR SMITH

evil. They surely see the rights of unborn children as much more important than the rights of workers to join unions. If we put workers' rights on the international agenda, why should others not appeal to the rights of the unborn child, and even seek economic sanctions on countries with liberal abortion laws?

The problems of competing "rights" are difficult enough for national political systems to cope with. Bringing them into the international economic system is a recipe for sharp and unproductive conflict.

We should be concerned about young children sewing footballs in Pakistan or shirts in Bangladesh.

Refusing to buy products of prisoners' labour will make prison conditions worse

about human rights in China, and about environmental quality in Poland. But political pressures to respond to these problems are much more motivated by our self-interest than by morality.

Ralph Waldo Emerson wrote: "The louder he talked of his honour, the faster we counted the spoons." The louder that politicians talk of the moral case for imposing our standards on others, the more carefully we need to count the economic spoons.

Economic factors are the real source of the political pressures for action on labour standards. The two charts illustrate how labour market conditions have become much tougher for unskilled workers in developed countries.

Different labour markets have reacted in different ways to labour market pressures. Unskilled workers in much of Europe have been reluctant to accept wage cuts and unemployment rates have risen. In the more flexible labour market of the US, cuts in wages have kept down unemployment.

The British labour market response lies somewhere between the American and the European.

oping countries seems to imply that life is going to get even harder for unskilled workers in advanced countries.

But trade is not the whole story: even with no changes in international trade, less skilled workers would have a harder time in the world of the word-processor, the computer-driven machine tool and the Internet than in the world of the typewriter, the lathe and the telephone.

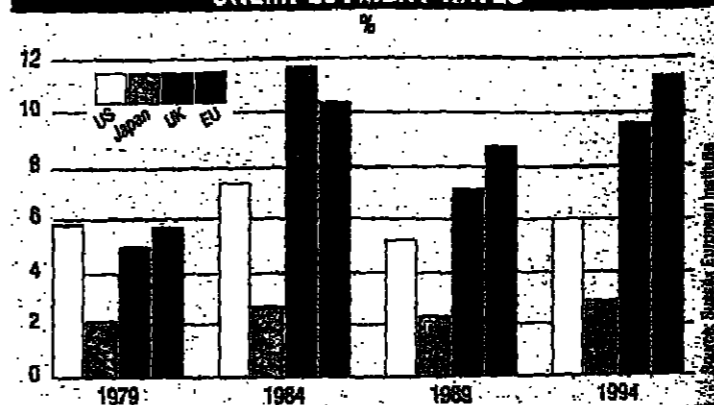
The political climate matters too. Increasing inequality in the US goes right to the top of the income distribution, and changing social and political attitudes matter more than globalisation in explaining why chief executives' pay has risen faster than that of senior managers.

Even if trade with poorer countries did explain a large part of the labour market troubles of the unskilled, it would not follow that using the world trading system to try to impose higher labour standards on the developing world was a sensible policy response.

Developing countries can let their exchange rates depreciate to compensate for any effects that labour standards have on their international competitiveness. The overall effect on the competitive pressures in our labour markets would be negligible.

To say that labour standards should be kept out of the international trading system is not to say that increased inequality does not matter, or that nothing can be done about it. On the contrary, much more can be done. The Japanese education system gives serious attention to developing skills across the full ability range and the Japanese economy has survived the last 15

UNEMPLOYMENT RATES



years with much less labour market disruption than the economies of Europe and North America.

Supporting the income levels of the poor both in and out of work would reduce the poverty trap. But effective measures to reform

European agenda in a different guise. The European Commission's 1995 White Paper on the preparation of the central and eastern European countries for accession to the European Union implies that these countries should adopt much of the

EARNINGS IN THE US



Czech and Polish workers. Inappropriate regulation of the eastern European economies would be bad for them, without actually giving much protection to western producers.

There are good reasons for the UK government to speak out in favour of a more flexible European Union, but one of the unfortunate by-products of Britain and our European partners is that they have understandably lost interest in hearing the views of the present government on the development of the union.

Alasdair Smith is a Professor of Economics at the University of Sussex and a Research Fellow of the Centre for Economic Policy Research. Regulatory convergence in Europe is discussed by Alasdair Smith and others in "The European Union and Central and Eastern Europe: Pre-Accession Strategies", Sussex European Institute, Brighton BN1 9QN.

Economic factors are the real source of political pressures for action

education and the social security system to tackle the real issues of inequality and social cohesion in our societies would be expensive. Maybe we lack the political will to give tackling inequality a higher priority in public expenditure. But if we are unwilling to impose open inequality and insecurity, we should not instead make the futile gesture of imposing covert taxes on trade and employment in poor countries. The same issues are on the Eu-

social, labour and environmental regulation of the EU prior to membership of the union.

The rhetoric is that equal membership of the European club requires the same set of rules to apply to all: the reality is that once again richer countries seek to impose their standards on poorer countries as a pre-condition for market access. Again self-interest is not far below the surface: producers in western Europe are concerned about competition from low-paid

| Country | Spot | 1 month | 3 months | 6 months | 1 year |
|--------------|--------|---------|----------|----------|---------|
| US | 154.85 | 5.3 | 4.1 | 1000 | 0.6727 |
| Canada | 22.02 | 11.3 | 50.37 | 137.16 | 0.0227 |
| Germany | 22.018 | 40.41 | 140.200 | 146.85 | 24.34 |
| France | 77.978 | 130.13 | 365.334 | 503.99 | 73.68 |
| Italy | 22.022 | 46.43 | 142.168 | 123.8 | 44.51 |
| Japan | 98.40 | 75.70 | 225.216 | 106.78 | 45.44 |
| ECU | 122.27 | 5.71 | 45.40 | 126.65 | 7.8 |
| 474.648 | 12.22 | 0.6 | 1.4 | 30.57 | 10.16 |
| Denmark | 8.0773 | 159.16 | 446.235 | 37.85 | 270.220 |
| Netherlands | 23.639 | 85.57 | 167.74 | 169.97 | 35.32 |
| Ireland | 0.8675 | 7.3 | 20.14 | 180.05 | 4.7 |
| Norway | 9.917 | 120.50 | 310.200 | 64.01 | 42.17 |
| Spain | 94.80 | 21.31 | 89.88 | 125.81 | 23.27 |
| Greece | 12.029 | 0.6 | 1.4 | 30.57 | 10.16 |
| Sweden | 12.029 | 0.6 | 1.4 | 30.57 | 10.16 |
| Australia | 1.9829 | 20.31 | 67.45 | 126.76 | 19.21 |
| Hong Kong | 1.9829 | 20.31 | 67.45 | 126.76 | 19.21 |
| Malaysia | 3.802 | 0.0 | 0.0 | 24.885 | 4.14 |
| New Zealand | 2.9468 | 43.57 | 133.16 | 143.07 | 30.32 |
| Saudi Arabia | 5.0704 | 0.4 | 0.4 | 3.755 | 6.14 |
| Singapore | 2.980 | 0.4 | 0.4 | 14.82 | 41.30 |

| Country | Spot | 1 month | 3 months | 6 months | 1 year |
|-----------|--------|---------|----------|----------|--------|
| Argentina | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Australia | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Brazil | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Canada | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| China | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| France | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Germany | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| India | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Japan | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| UK | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| US | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |

Forward rates quoted high to low are at a discount; subtract from spot rate to add to spot rate.
 *Dollar rates quoted bi-monthly.
 For the latest foreign exchange rates call 0891 123 3033.
 Cables cost 36p per minute (cheap rate) 48p other times.

| Country | Spot | 1 month | 3 months | 6 months | 1 year |
|-------------|--------|---------|----------|----------|--------|
| UK | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Germany | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| France | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Italy | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Spain | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Sweden | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Denmark | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Netherlands | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Belgium | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Switzerland | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |

| Country | Spot | 1 month | 3 months | 6 months | 1 year |
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| UK | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
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| Germany | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
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| Belgium | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
| Switzerland | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |

| Country | Spot | 1 month | 3 months | 6 months | 1 year |
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| Germany | 15.485 | 5.3 | 4.1 | 1000 | 0.6727 |
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OLYMPIC GAMES

Hardcastle holding back sands of time

For those with a long memory there might be a recollection of a little girl, her hair cropped pink-like and dyed red, white and blue standing on the podium to receive swimming medals at the 1984 Olympic Games. You might remember, she cannot. The Los Angeles Games are a blur to Sarah Hardcastle. The hairstyle she remembers - these things are important to a 15-year-old - but the ceremonies in which she received a silver and a bronze have been wiped from the brain. "I was too young to take it in," she said. "I was unbelievably blasé."

Winning Olympic medals seemed a breeze.

At 27, she knows differently. Possibly more than most because Hardcastle, the girl who

believed the Olympics was a doddle became the woman who found swimming an unbearable chore. She retired for six years, missing the Seoul and Barcelona Olympics, and only came back when she realised the delights of being a secretary at Ford Motors, of being normal, were not as glamorous as she had believed.

"When you get there the grass is not always as green as you think," she said. Invited to present prizes at the British trials in 1992, a spark was reignited and closer examination proved it to be more than a pipedream. "I looked at the times and realised the event had not moved on," she said. She had thought, getting married, and her husband, Lee, tipped the balance.

Guy Hodgson meets the British swimmer who has given up the typing pool for another chance to win an Olympic medal

"He said to me: 'You have this rare talent and here you are being a secretary. If you don't try you'll never know how good you could have been.' I think he brought it home to me that there's nothing worse than the words 'what if'."

So 12 years on from appearing to be on the verge of greatness and after a spell where she could not even face a short, social swim, Hardcastle will be attempting to end a career in a blaze of bronze (at least). She says she would not be competing in Atlanta if she thought she could not win a medal and in the 800 metres freestyle, if not the

400m and the 400m individual medley, she has a chance.

In all probability, the time that will win gold will not be faster than the 8min 24.77sec she clocked in the Edinburgh Commonwealth Games 10 years ago, her problem is whether the 6ft frame she now possesses can emulate the speeds of the person she describes as the "five-foot nothing nutter" that was her former self.

Then she would happily plough through 70 miles a week in her local 25-metre Southend pool. Wiser and more careful in her preparation now, the Sand-

hurst housewife has cut down the distance work.

"When you're older you appreciate how hard you have to work to get what you want," she said. "Looking back I suppose I must have worked hard then, too, but it seemed so easy. I was very flippant about everything."

"I train with the emphasis on quality now. Physically I can't do the number of miles I used to do because my body won't take it any more. It's 10 years on and it's like trading a car. I wish I could get a new motor. I need a 10,000 mile service."

When she first returned, her

mind needed returning as well. Years of being at someone's beck and call as a secretary had eroded her chirpy self-confidence and for a spell it appeared that her comeback would be in the same category as those ageing has-beens who become a parody of themselves.

She heard the whispers and went to a hypnotherapist to silence them. A good job appears to have been done, too, because Hardcastle now has an irrepressible energy that would cause envy in a teenager. Some people giggle a lot as a self-defence mechanism, she barely completes a sentence without breaking into one, but hers has the genuine ring of enjoyment.

"I may not be a better swim-

mer now than I was," she said, "but I don't feel worse either. In Atlanta people will be looking at the Americans. I'll be a complete outsider. Which is fine. No pressure. There's nothing to lose this time."

Surely she lost that with her self-induced absence during what would have been her peak. "I'll never regret retiring, she answered firmly. "I wouldn't have met my husband for a start and I think I'd be less happy. If I was born again I wouldn't change very much for sure."

And the streak of non-conformity continues. At Los Angeles it was the haircut, at Atlanta it will be a tattoo of a fish on her right shoulder. "It marked a part of my life," she said. "It was kind of a statement



Hardcastle: Older and wiser

because things were changing dramatically. I was just expressing myself."

Just as she expects to express herself in Atlanta. "It's taken me three years to get back to what I'd describe as a good standard. All I'm looking for now is speed. I'll get there. If she does, she will remember the medal ceremony this time."

Why the British will win everything again

Keith Elliott remembers the good old days at the Cotswold Olympicks when drawing blood decided some events

Once again Brits took all the medals at the Olympicks. Americans, Germans, Russians and Australians came nowhere. When it came to true Olympic sports such as back-swording, skin-kicking, and spurning the barre, Johnny Foreigner did not get a look in.

Things may be a little different in Atlanta over the coming fortnight. But sports historians will point to the fact that the Modern Games is an upstart event running for a mere 100 years - and only every four years at that - whereas the Cotswold Olympicks dates back to 1612.

Held annually on the first weekend after Whitsun on Dover's Hill near Chipping Campden, a picture-postcard village at the north end of the Cotswolds, this is not some local fete cashing in on Olympic fervour. Though the feats performed these days would scarcely be classed as Olympian, this unique event has just as much right (and maybe more) to use the name and the flag.

After all, it was set up with official permission from King James I and has continued through the reigns of 14 monarchs, once attracting crowds of up to 30,000. Some sports, such as scurrying, cock-fighting, quarter-staff fencing, vaulting and the ladies smock race, no longer take place, but the spirit of Robert Dover lives on.

A barrister, he set up the Games "for training of the youth in many sports and for the harmless mirth and jollity of the neighbourhood". He must have been quite a guy, for contemporary documents describe him variously as jovial, generous, mirth-making, ingenious, heroic and noble (at your heart out, Juan Antonio Samaranch).

British Olympicks, published in 1976, has poems of praise to Dover from such worthies as Ben Jonson and Michael Drayton, while Shakespearean references in *The Merry Wives of Windsor* ("How does your fellow greyhound, sir? I heard he was out-run at Cotswold") and the wrestling scene in *As You Like It* almost certainly refer to Dover's Games.

Like the Modern Olympics, the Cotswold version has had a few byes in transmission. It stopped for a while when Dover died in 1652, restarting some time around 1700. Not everyone

approved. One minister railed against "the evil and pernicious consequences of Whitsun Ales (namely acts of foolery and buffoonery, and relics of paganism such as Morris dances and dancing round the may-pole)".

The sport changed, too. Sack-racing, quoit-throwing, bowling and jingling became popular. The latter was performed in a large roped circle, and a jingler, wearing small bells, had to avoid capture by nine or 10 blindfolded contestants. The captor (or the jingler if he stayed free) won half a guinea. Sounds better than dressage or figure-skating.

'It's difficult to get people to take part in shin-kicking... Other old events like back-swording are exhibitions'

Others continued right through, and are still part of the Games today. One was back-swording, where two fighters had their left arms bound to their thighs and fought with cudgels or wooden swords, the winner being the first to draw blood from his opponent's head.

In shin-kicking, descended from wrestling bouts which were often five or nine-a-side, the idea is to kick at an opponent's shins to knock him off balance. It was often "played" with steel-capped boots and competitors toughened their legs by hitting them with planks or even hammers. Today's shin-kickers protect their legs with straw and lack the malice that must have made the sport such a popular spectacle 300 years ago.

What killed the Cotswold Olympicks for a century was not a decline in sporting interest, but rowdy Midlanders. Navies building the new Worcester to Oxford railway took much of the blame as card sharks, pickpockets and thieves infiltrated the Cotswold event. One year almost every stall and tent was lev-

elled and robbed. The site became, it was said, "a meeting place of the lowest characters, merely for debauchery... the whole district has become demoralised".

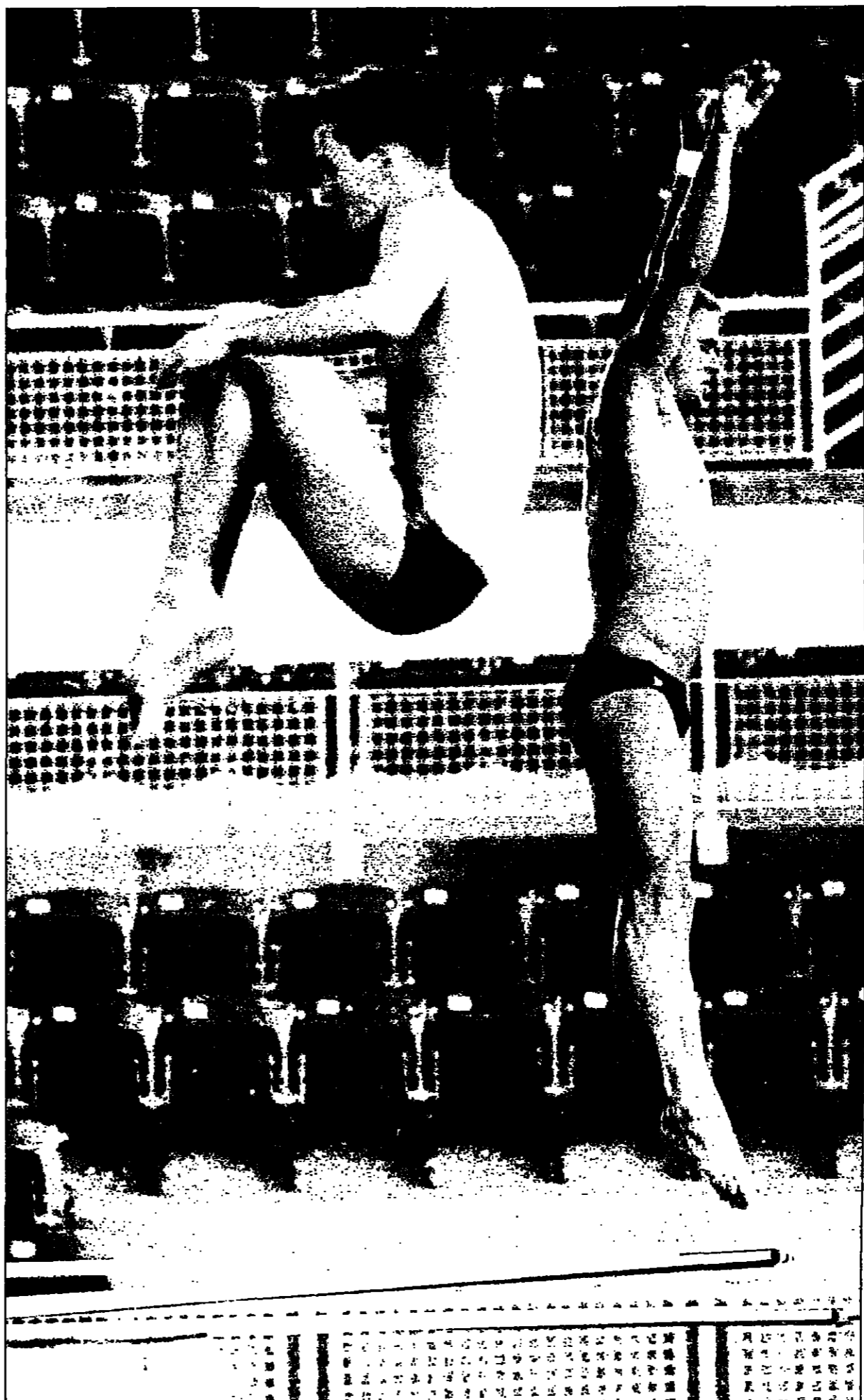
It was revived, without the debauchery, in 1951 as a one-off for the Festival of Britain, and in 1965 the Games itself was brought back. Events such as climbing a pole for a leg of mutton, dipping for oranges and dancing marathons no longer entertain the crowds, but the village committee which organises the event has tried to retain the essence of Dover's vision.

The Games, which takes place on a natural amphitheatre in the 500-acre Dover's Field (now owned by the National Trust) has a Champion of the Hill event which includes a standing long jump, hammer-throwing, spurning the barre (like tossing a caber) and putting the shot. There is also a team event, which is somewhere between *It's A Knockout* and *Tiswas*. Andrew Greenwood, the co-chairman, defends this from accusations that it is frivolous. "We are doing what Dover was doing: entertaining the crowds, but in a modern way."

Greenwood, a local estate agent, added: "It's always difficult to get people to take part in shin-kicking, and some of the other old events such as back-swording are done as exhibition events because we don't actually want to draw blood."

Many other original elements are still there: the recreation of Dover's Castle, sack-racing, juggling, Morris dancers, puppet shows, clowns and stilt walkers. When it all finishes, there is even a torchlight procession carrying the "Olympick flame" into Chipping Campden to start the Scuttlbrook Wake, a day-long festival.

Francis Burns, a university lecturer who is Chipping Campden's town crier, wrote a dissertation about the Cotswold Olympicks. Burns, who later produced a booklet on their history, said: "In the long catalogue of British sports and pastimes, there is nothing like these Games for their setting, their continuity, their forms of entertainment, and for the literary responses to them." And, of course, for the fact that the British always win.



Spring time: Divers go through their flight manoeuvres in Olympic practice at the Georgia Aquatic Centre yesterday. The diving competition begins a week tomorrow. Photograph: David Ashdown

Russian caught in drug test

The Russian weightlifter Yuri Myshkovets, the European champion in the under-83 kilogram class, has failed a drugs test and has been barred from going to Atlanta.

The Russian coach, Armen Nalbandyan, said that Myshkovets had been sent home from a training camp in Podolsk, just outside Moscow, after testing positive for a banned substance in tests ordered by the weightlifting federation after a series of recent doping scandals.

"After being burned several times before, we do not trust anyone, even ourselves," Nalbandyan said. "We are very tough now and decided to test everyone."

The positive test came as a surprise for the national federation, he said, but Myshkovets had been sent home to his native St Petersburg. Further action against him will be decided later. Nalbandyan did not identify the substance for which he had tested positive.

The news is the latest in a series of drugs scandals which have already affected the centennial Games, which begin on Saturday.

The Australian sprinter Dean Capobianco has been suspended by his national governing body after a positive drugs test, while the Italian high jumper Antonella Bevilacqua tested positive for the banned stimulant ephedrine twice in May, but has yet to be banned by her national federation.

This has sparked a serious row with the International Amateur Athletic Federation, who could even suspend the Italian federation if it fails to act.

Organisers of the Olympic three-day event have admitted that they are prepared to stop the event if Atlanta's renowned heat and humidity become too severe.

Hugh Thomas, the Englishman charged with overseeing the horse trials as the technical delegate of the International Equestrian Federation, said that while abandonment is unlikely, it does remain a possibility. "If it comes to it we will," he admitted. "We're not going to go blithely on if conditions get to a stage where we can't be confident of what we're doing."

The Galway boxer Francis Barrett has been chosen to carry the Irish flag at tomorrow's opening ceremony. The 19-year-old light-welterweight, competing in only his third senior international tournament, was selected by Ireland's Olympic Committee.

Plenty of possibilities but no probables

The last 12 months have been such a roller-coaster for Britain's team that the manager, Neil Adams, might just as well invoke an astrologer as make meaningful predictions about medals in Atlanta. In October last year the team bombed at the World Championships, with just one bronze from the veteran Sharon Rendle, the former featherweight world champion.

Then, in May at the European Championships in Hague, there was a glut of medals, two gold, two silver and three bronze. So what about the Olympics?

"I am confident that we will produce medals - as we always do in judo - but I can also say honestly that they could come from any member of the team," Adams said.

The problem is the abundance of possibilities and the shortage of probables. In Barcelona, there were three, four even five sure-fire probabilities in the women's team from

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A team of seven: Karen Briggs, Sharon Rendle, Nicola Fairbrother, Diane Bell and Kate Howey. Any one of them could have won that precious Olympic gold that has never come to Britain. In the event, they produced four medals though not one gold. Fairbrother coming closest with a silver.

It is significant in many ways that four of those fighters - Karen Briggs has retired - will be in Atlanta and are all still in contention. Yet none, it must be said, are as strong and commanding as they once were.

The wild card in the women's team is the 19-year-old newcomer, Michelle Rogers, from Manchester, who burst upon the heavyweight scene in May by winning a bronze at the European Championships.

The greatest surprise this

year has been the medal performance of the men. Bantamweight Nigel Donohue, featherweight Julian Davies and lightweight Danny Kingston all won medals at tough international tournaments and confirmed their status by reaching the finals at the Europeans. But the sheer unpredictability of Britain's performance can be best illustrated by the light heavyweight silver medal won by Ray Stevens at Barcelona. He came off the osteopath's bench to storm through when everyone thought he was there just to fill in the numbers. He is in Atlanta but he is 32. There is no way he can do it again.

Can he?

Philip Nickson

ATLANTA '96

Battle of a lone Briton

Weightlifting has one of the worst drug abuse records of any Olympic sport, and the British team did nothing to change this at Barcelona in 1992.

Two British competitors - Andy Saxton and Andrew Davies - had to be withdrawn before the event began after drug tests found traces of clenbuterol, classified as a steroid agent.

Britain did not win a single medal at Barcelona; the best performance came from Peter May, who finished a creditable seventh in the 90-kilogram category. Weightlifting in Britain has been in decline since. Only one Briton, Anthony Arthur (83kg) has qualified for Atlanta, and he was a wild card selection, whereas eight British lifters went to Barcelona.

Although the common perception of weightlifters may be of muscle-bound jacks with more brawn than brains, Arthur, 23, from Manchester, is in the

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middle of taking a chemistry PhD. His recent record has shown promise: he was eighth in the European Games in March. But Arthur is realistic about his chances. "I don't really believe I can win a medal. I hope to be placed in the top 20," he said. "As far as drug abuse is concerned, that's all in the past now. British weightlifting has moved into a drug-free era."

It is 100 years since Britain won its last and only gold medal in the sport, in the one-armed competition in Athens in 1896. Arthur expects his main competition to come from the Russians, Greeks, Turks, Bulgarians and Chinese who, he says, are all "very strong."

GREAT BRITAIN: Arthur (83kg).

Scherbo's willpower faces supreme test

If the men's Olympic individual competition were decided on the basis of motivation and willpower, Vitaly Scherbo would be certain to retain his title in Atlanta.

The 25-year-old from Belarus, who came away from Barcelona with six gold medals for the Unified Team in 1992, is seeking more of the same as he adapts to his adopted country, where he lives with his wife and child. He wants to dedicate victory to his wife, Irina, who recovered from a near-fatal car crash before Christmas.

Scherbo abandoned the sport and spent nearly two months at her hospital bedside before she recovered sufficiently to tell him to get back to his training.

Suitably encouraged, he set about recovering his form and his fighting weight. Even if he has been able to do so, however, he will still face implacable opposition in the form

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of Li Xiaoshuang, the Chinese competitor who beat him in last year's World Championships. While Scherbo is heated and outspoken, Li Xiaoshuang is cool and measured. The mixture should be interesting.

If either falters, Scherbo's Belarus team-mate, the 21-year-old Ivan Ivankov will profit eagerly.

The favourite for the women's title is the small but determined figure of Lilia Podkopaeva, Ukraine's world and European champion, who has her own compelling reasons to seek success.

An Olympic title would provide her with enough money to move her mother, siblings and grandparents out of the cramped Donetsk apartment they all share to somewhere more salubrious. Her biggest ri-

val may be the charismatic and talented 14-year-old from China, Mo Huiian.

The host nation, energised by memories of their 1984 championship of the boycotted Los Angeles Games, Mary-Lou Retton, will be screaming for further glory. However, their main, much-hyped hope, the 14-year-old Dominique Moceanu, appears to be suffering under the pressure. Moceanu, of Romanian parentage and trained by the Romanian who coached Nadia Comaneci to the 1976 title, Bela Karolyi, is reportedly carrying a stress fracture and may not compete.

Other contenders will include America's 1992 silver medalist Shannon Miller, Svetlana Khorkina of Russia, and the quenchy 23-year-old from Belarus, Svetlana Bouginskaya.

GREAT BRITAIN: Men: D Brindley, L McDermott. Women: S Lawrence, A Rowbottom.

Mike Rowbottom

سكندرية الاول

sport

125th OPEN CHAMPIONSHIP: Walking fairways with the greats inspires county player to start taking it seriously

Putts not pints rule Bladon's life

Richard Edmondson listens to the Amateur champion who has given up his bar job to concentrate on golf

These days, it seems, they play the amateur championships over a course on Brobdingnag. Twelve months ago, the winner who earned an exemption for the Open was Gordon Sherry, the 6ft 8in Scot who made the St Andrews stands tremble as he pounded the fairways.

This afternoon another behemoth will grapple with Royal Lytham when Warren Bladon carries the flag for the unpaid, but there the connection between two amateur winners will perish.

Sherry, you will remember, was the articulate biochemistry student from Kilmarnock who had a professional career mapped out with great precision. Bladon, on the other hand, looks like a bloke you might find on the door of a pub, which would not be far wrong. Until recently you could have found him pulling pints in his native Midlands.

After capturing the Amateur Championship at Turnberry six weeks ago, Bladon was meant to return to his post as assistant manager of the Cask and Bottle at Leamington Spa. But he could feel his life taking a significant diversion and consequently told his employers where they could put their corkscrew.

All this has taken Bladon quite a while. He is 30 and much of his amateur career as a county player with Warwickshire has been characterised by a sense of

talent scorned. Our man is notable for the consistency of his practice sessions. Every time Halley's Comet comes round he can be found on the driving range. Nevertheless, he is a hugely popular figure with his county team-mates, never more so when he suggested one of them should caddy for him both here and at the Masters next spring. The bouquet was caught by Gareth Jenkins.

Life has changed a little now for the man who lives at home with his retired mother and has a job with an engineering company which sounds dangerously close to a sinecure. "I've got time for training now which I've always been dead against," he said. "I've never been a practicer because I didn't like picking my own balls up. But I think I'd better start now because it doesn't seem to do the guys I've seen this week any harm."

When Bladon arrived for his reconnaissance mission in Lancashire this week he noticed two chaps had already pencilled themselves in for a practice round. So he added his name to those of Norman and Price. "Well I'm hardly going to get another chance like that again," he said.

Bladon has also transported his 6ft 3in, 17-stone frame around Royal Lytham in the company of his American counterpart, the United States amateur champion Tiger Woods.



Juggling his options: A pensive Warren Bladon, who carries the flag for the unpaid golfers, at Royal Lytham yesterday

Photograph: Robert Hallam

A rich cosmopolitan blood flows through the latter's lineage as he is a blend of black, Thai, Chinese, American Indian and white relatives.

Eldrick "Tiger" Woods received his sobriquet as an honour to the Vietnamese soldier who pulled his Green Beret father from a paddy field crackling with the reports of sniper fire. Earl Woods also probably recognised the sponsorship potential of such a name in golf (Jeremy Irons' father tried this technique, but his son was not as good at the sport).

Certainly, Woods Sr did not want his boy exposed on fields of war and chose instead the more salubrious pastures of the golf course. Tiger started playing the game aged six months, and by the time he was two, he was on national television competing against Bob Hope in a driving and putting competition. At three he shot 48 for nine holes. More recently, he has been the US amateur champion for the past two seasons, pulling through a golfing jungle as stringent as the one his father once survived.

Woods is now 20, but behaves

older. Perhaps the only element of the child in him is his phenomenal capacity for Big Macs, an area in which he is second only to Bluto in consumption. When it comes to hitting a golf ball, however, Tiger is more like Popeye.

The Stanford University economics student led the driving statistics in the US Open at Oakland Hills last month and has supplanted John Daly as the man who hurts golf balls most. Woods does his clubs no favours either and regularly caves in the face of his drivers.

Such length off the tee can

cause problems for the tiro, as his second shot invariably calls for a half-hit wedge. This problem has been most apparent when Woods plays in the Masters. "There ain't enough golf course out there for him," Tommy "Burnt Biscuits" Bennett, his caddy at the Augusta National, reported.

Bladon, it must be said, is no slouch with a driver either. At the first hole of his round with Norman, the 20th-year par three, he hit a three-iron to eight feet, inside his playing partners, and holed the putt. On the final hole he propelled his tee

shot 350 yards, and then tidied up with a chip and a putt. "I have always dreamed about that walk between the last stands and birdie at the 18th," he said. "Whatever happens now, and my objective is to make the cut, I've done that."

As he retrieved his ball from the cup, Bladon was slapped on the back by the man he has admitted above all in golf. Greg Norman then handed over a £10 note, a Scottish one, his forfeit for defeat. It remains pinned up in the bedroom of Warren Bladon.

OPEN DETAILS

TODAY'S TEE-OFF TIMES

| Time | Player | Score |
|-------|----------------|-------|
| 7.05 | F. C. Jones | 72 |
| 7.15 | G. Sherry | 71 |
| 7.25 | H. J. Williams | 73 |
| 7.35 | I. D. Smith | 74 |
| 7.45 | J. E. Brown | 75 |
| 7.55 | K. L. Green | 76 |
| 8.05 | L. M. White | 77 |
| 8.15 | N. O. Black | 78 |
| 8.25 | P. Q. Grey | 79 |
| 8.35 | R. S. Blue | 80 |
| 8.45 | S. T. Yellow | 81 |
| 8.55 | T. U. Purple | 82 |
| 9.05 | V. W. Pink | 83 |
| 9.15 | X. Y. Brown | 84 |
| 9.25 | Z. A. Green | 85 |
| 9.35 | B. C. Blue | 86 |
| 9.45 | D. E. Yellow | 87 |
| 9.55 | F. G. Purple | 88 |
| 10.05 | H. I. Pink | 89 |
| 10.15 | J. K. Brown | 90 |
| 10.25 | L. M. Green | 91 |
| 10.35 | N. O. Blue | 92 |
| 10.45 | P. Q. Yellow | 93 |
| 10.55 | R. S. Purple | 94 |
| 11.05 | S. T. Pink | 95 |
| 11.15 | T. U. Brown | 96 |
| 11.25 | V. W. Green | 97 |
| 11.35 | X. Y. Blue | 98 |
| 11.45 | Z. A. Yellow | 99 |
| 11.55 | B. C. Purple | 100 |

CARD OF THE COURSE

| Hole | Yards | Par | 1st | 2nd | 3rd | 4th | 5th | 6th | 7th | 8th | 9th | Out | Total |
|------|-------|-----|-------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| 1st | 205 | 3 | 12th | 334 | 4 | | | | | | | | |
| 2nd | 437 | 4 | 33th | 542 | 5 | | | | | | | | |
| 3rd | 451 | 4 | 33th | 542 | 5 | | | | | | | | |
| 4th | 293 | 3 | 23th | 342 | 4 | | | | | | | | |
| 5th | 212 | 2 | 14th | 448 | 5 | | | | | | | | |
| 6th | 490 | 5 | 15th | 463 | 4 | | | | | | | | |
| 7th | 553 | 5 | 16th | 557 | 4 | | | | | | | | |
| 8th | 418 | 4 | 17th | 461 | 4 | | | | | | | | |
| 9th | 164 | 3 | 18th | 459 | 4 | | | | | | | | |
| Out | 3,330 | 25 | In | 3,392 | 27 | | | | | | | | |
| | | | Total | 6,722 | 52 | | | | | | | | |

Television times

BBC2 10.25am-3.00pm: BBC2 3.00-5.30pm: BBC2 5.30-7.30pm

Latest odds

10-1 Fazio
14-1 Norman, Montgomerie, Ez
22-1 Woods
25-1 Coates, Pinn
28-1 McIlroy
33-1 Price, Lehman, Albery, Ewington
Fazio, Singh, Stewart
Odds supplied by Coral

Today's weather

Early mist, then dry, sunny and sunny.
Temp: 22C

New approach helping Woosnam to walk tall again

Frank Nobilo had made a wise choice of practice partner. "I only needed to come in with a couple of pars," the Kiwi said. "Woosie made all the birdies. Did we take the money? We won the tour up after six. We won the game, the presses, everything."

Colin Montgomerie and Barry Lane were the men who had to put their hands in their pockets. Ian Woosnam is in a winning mood. He has a confident mood to go with it. The Woosnam Walk was back as he came down the 18th at Carnoustie last week in winning the Scottish Open, and he was there again yesterday in his final practice round for today's 125th Open.

At 3.04 this afternoon, Woosnam goes off with Gary Player, the 1974 champion here, and Corey Pavin, the 1994 US Open champion. It is virtually the only three-star grouping in the entire draw and worth watching for another reason. The feeling is growing that the Welshman, who has a history of winning in successive weeks, is about to raise the silver claret jug for the first time.

Over the last year, Woosnam, 38, has taken to playing practice rounds with Montgomerie because they share the same coach, Bill Ferguson, the man behind Monty's rise to winning the European money list three years in a row and he

Andy Farrell on the Welshman who has rediscovered his touch just in time to make a serious challenge for the Open

preaches a dogma of simplicity. Woosnam's swing was the glorious culmination of the very basics of golf until, having become the Masters champion and world No 1 in 1991, he tried to improve on nature. The alterations eventually resulted in a 1995 season in which he did not win, or look like winning, for the first time in a decade.

With Ferguson's help, Woosnam rediscovered his top form to win back-to-back tournaments at the beginning of the year. Yesterday, Ferguson's usual working pattern was reversed.

While Woosnam merely needed a quick check-up, Montgomerie kept him on the range for most of the afternoon. For that reason, the Scot refused a visit to the press centre. Woosnam also declined the invitation. He is trying not to say too much. "I'm superconfident," was what he started to say, before settling for "I'm feeling confident. I'm trying to relax and enjoy myself."

Woosnam is not afraid of word games. "I'm not putting well," is one of his favourites. A switch in his stance during the

second round last week has helped, as has a device he knocked out at home. It is a putter with a hinge in the shaft. If the shaft does not remain straight in the takeaway, it indicates a lack of rhythm.

Another speciality is "If I can only sort out my driving." By no stretch of the imagination can someone who wins at Carnoustie, in a howling gale, be driving the ball poorly. He is happy with his iron play, so that must be out of this world. "He is playing like the Woosie of old," Nobilo said. "When he

gets confident, he is difficult to beat. He is very close to playing as he was when he was No 1 in the world. When he is playing like that, it is beautiful to watch. He is back to having that natural swing of his."

But there is one vital quality which is required to win a major championship, and is the reason Montgomerie has yet to win one. In battling the elements last week, Woosnam said: "You have to keep patient." He is trying to do the same here. As the man on the *Shropshire Star* who has followed his exploits man and boy confirmed: "This is the one he wants and I've never seen him so focused."



Ian Woosnam during practice yesterday

Photograph: PA

Crowds hail Indurain but Riis strengthens grip on yellow jersey

ROBIN NICHOLL

with the Tour de France

It was the day of Miguel Indurain's homecoming but Bjørn Riis, the new landlord of the Tour de France, slammed the door firmly in his face.

As the hero of Navarre rode past the house where he was born, he was trailing the Danish rider who leads the Tour by eight and a half minutes, and reached the Pamplona finish in an unfamiliar 19th place.

Any humiliation was eased by the crowds, the graffiti, and the banners that spread over seven mountain passes from France and into Spain. It was the toughest day of the toughest race, but agonisingly so for Indurain, the man of the people.

He is heading for Sunday's finale in Paris with a deficit of 15min, 36sec, unthinkable two weeks ago, and for many Spaniards unbelievable.

Messages of support flew from trees and houses and clung to hilllocks: "You are unique...five is enough. Miguel the great...our man, our hero." The roads were almost white with paint from the amateur sign-writers of the Tour. Some signs were smeared into the sun-soaked tar.

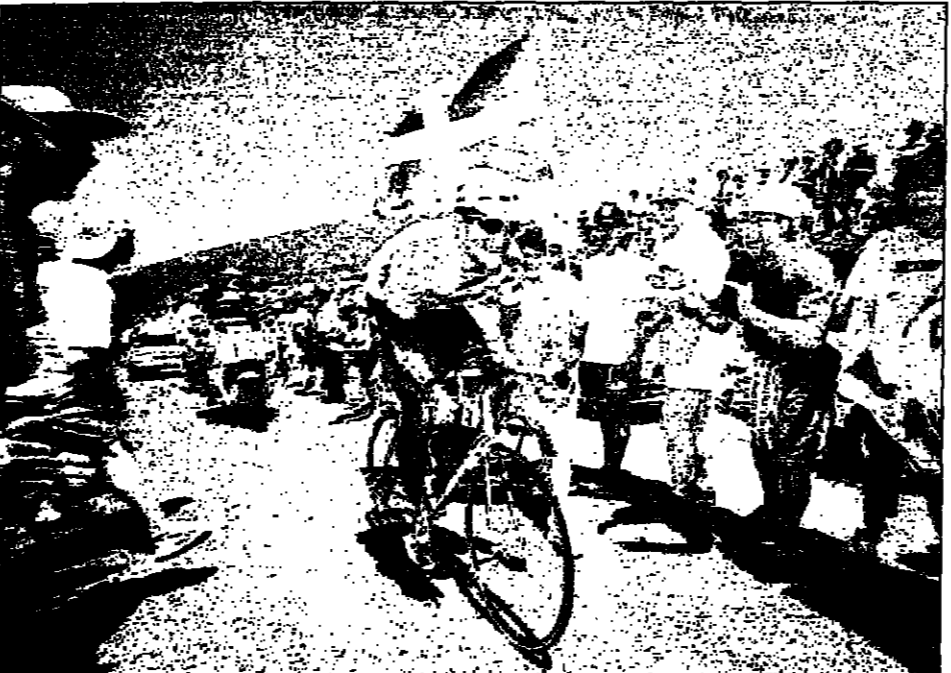
He was not alone in the doldrums. Riis showed no loss of power from Tuesday's winning drive to the summit of Hautacam, and the holder of the yellow jersey was the force behind the leading group of eight.

Yet before masses of Indurain fans, Riis could not hold the lively Swiss Laurent Dufaux, whose sprint took him clear of the Dane to an overdue victory in this 17th stage over 262 km from Argelès-Gazost, near Lourdes.

The combined pace of the leaders shook the weak links from the top standings, and future contenders were born on the longest day of this Tour.

After more than seven hours in the saddle under a grilling sun, the challenge of Abraham Olano, Tony Rominger, and Yevgeny Berzin melted. Olano slid from second overall to ninth, more than 11 minutes behind Riis, and Rominger slipped from third to 10th, as they rode in with Indurain past cheering thousands to reach the finishing straight, with deafening chants of "Miguel, Miguel" for the final 400 metres.

He joined Riis on the podium, and the Dane raised Indurain's arm, a gracious gesture, and the crowd responded by singing Indurain's name, and



The long road home: Miguel Indurain struggles in Spain yesterday

Photograph: Allsport

the soulful eyes of their champion brimmed with tears.

"I am the leader today," Riis said. "But Miguel is and always will remain a great champion. I am sad for him but I am sure that he will be back. He understands that in the

Tour no one can give presents."

Dufaux, however, got his opportunity. He has worked hard to help his French team-mate, Richard Virenque, towards a hat-trick of red polka dot jerseys for the best mountain climber.

"This is a reward for all the efforts I have made for Richard," he said. "Riis was not going to let me win easily. He is incredibly strong and he wants to show who is the boss."

"It was a terrible day, and we

were all tired but we worked well. Once the Indurain group closed to within three minutes of us, but we worked harder still to widen the gap."

Apart from Dufaux - who now replaces Tony Rominger and Alex Zülle as Switzerland's best hope - there is Riis's German team-mate, Jan Ullrich. He is now the nearest to Riis by 3:59, and an Austrian challenger, Peter Luttenberger, has risen to fifth as the old Tour order changes.

Britain's Chris Boardman and many others lost more than 45 minutes during the stage. "I know it is not doing my Olympic prospects much good but I must get to the finish in Paris," he said.

As the leaders reached the bottom of the Col de Soudet, Basque separatists attempted to form a human blockade. The riders came to a stop, but a path was soon cleared by the gendarmerie, and the protesters returned to pushing leaflets and stickers through the windows of passing cars.

They have warned the Tour that it will not leave Spain unharmed, and today's stage from Pamplona to Hendaye in France will again be watched over by armed civil guards and police.

TOUR DE FRANCE DETAILS

STAGE 17 (Argelès-Gazost to Pamplona, 162.8 miles): 1. L. Dufaux (Swi) Festina; 2. B. Riis (Den) Deutsche Telekom; 3. R. Virenque (Fra) Festina; 4. J. Ullrich (Ger) Deutsche Telekom; 5. L. Labanc (Fra) Potti; 6. P. Ugrumov (Uzb) Roskoff; 7. F. Escarot (Spa) Team; 8. P. Lemerand (Aut) Carrera; 9. M. Lelli (Ita) SASECO; 10. P. Savard (Su) Roskoff; 11. N. Stephens (Aus) ONCE; 12. T. Rominger (Swi) Mapei; 13. M. Fernandez (Esp) Mapei; 14. B. Haimberger (Den) TTM; 15. G. Guerin (Fra) Potti; 16. P. Jonker (Aus) ONCE; 17. L. Brochard (Fra) Festina; 18. M. Barletti (Ita) MG Technogym.

MG Technogym; 19. M. Indurain (Spa) Banesto; 20. Alberto Di Italy MG Technogym all same time; 106 G Boardman (GB) GAN +45:07.

Overall standings: 1. Riis 81:15:34; 2. Ullrich +3min 55sec; 3. Virenque +4:25; 4. Dufaux +5:52; 5. Lemerand +6:19; 6. Escarot +7:23; 7. Ugrumov +7:48; 8. Labanc +8:01; 9. Boardman +1h 27min 33sec.

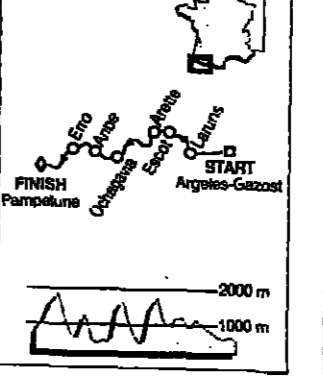
Mountains leaders: 1. Virenque 38pts; 2. Riis 274; 3. Dufaux 176.

Points leaders: 1. E. Zabel (Ger) Deutsche Telekom 265; 2. F. Moncassin (Fra) GAN 208; 3. F. Baccantini (Ita) MG Technogym 138.

Yesterday: Stage 17

Argelès-Gazost to Pamplona

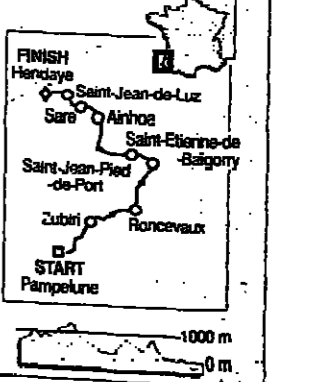
Wednesday 17 July, 162 miles



Today: Stage 18

Pamplona to Hendaye

Thursday 18 July, 96 miles



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United dismiss Blackburn's £4m offer for Cantona

Football
ADAM SZRETER

Blackburn Rovers, apparently peeved at Manchester United's attempts to take Alan Shearer away from them, yesterday made an offer believed to be in the region of £4m for United's French international Eric Cantona.

Blackburn captain, Tim Sherwood, said: "We have made a bid for Eric Cantona and are awaiting a response from United."

United's assistant secretary, Ken Ramsden, said: "There is no way the matter will be considered. The offer has been rejected out of hand. Eric will not be going to Blackburn or anywhere else."

Asked if United considered Rovers' bid to be a response to their own reported £12m offer for Shearer, Ramsden replied:

"It is an unusual episode to say the least, but it is not for us to question other clubs' motives."

Referring to Sherwood, Blackburn chairman said: "Any suggestion that we have accepted a bid that Tim is in talks with Arsenal are wide of the mark. We have not had an offer."

One Blackburn player on the move is the striker Mike Newell, who is expected to join Birmingham next week for £1.2m. United could be forced to increase their £3.5m bid for the

Czech midfielder Karel Poborsky of Slavia Prague, Slavia, who will be involved in the European Cup, say they do not want to let the 24-year-old leave. He has two years of his contract to run. The United manager, Alex Ferguson, said: "As far as I am concerned the deal is still alive and I am looking for a satisfactory outcome."

Liverpool's interest in Poborsky may cool now that Michael Thomas has signed a new contract. The 28-year-old

former Arsenal midfielder played a couple of days in Italy last week, talking to more than one club, but decided to accept an offer of up to three years to stay on Merseyside.

Another surprise signature yesterday was that of the Tottenham manager, Gerry Francis, who accepted a two-year deal from the Spurs chairman, Alan Sugar. Francis, 44, has hitherto preferred to work without a contract.

Gary McAllister has pledged his future to Leeds United, in spite of Coventry's hopes that he would move to Highfield Road. The 31-year-old Scottish international said: "I'm staying—it's as simple as that. As far as I am concerned all the speculation over me is just that—speculation."

Barnsley have won the race to sign the Middlesbrough striker Paul Wilkinson, who is expected to sign for the Oakwell club later today.

The Crystal Palace manager, Dave Bassett, is making a £250,000 move for Darlington's

highly-rated centre-half Sean Gregan. Bassett has taken Gregan on loan with a view to playing him in pre-season games and then completing the transfer.

Everton's transfer-listed defender Matt Jackson has had his price cut in an effort to find him a new club before the season starts. Sheffield Wednesday last season had an offer of £1.2m for him turned down.

Brighton could be homeless in 10 months' time after Hove Council rejected their plans

for a new stadium and shopping complex at Toads Hall Valley. The Seagulls have failed to come up with the necessary traffic and environmental studies to support the application.

Fifa, the world governing body, has suspended the Croat international Goran Vlaovic because he has signed with three different clubs. Vlaovic, who played last season with Padova in Italy, has apparently signed for Napoli, as well as the Spanish clubs Valencia and Espanol.

Sky 'prepared to renegotiate deal'

Rugby Union
DAVID LLEWELYN
ROB COLE and BILL LEITH

BSkyB is reported to be ready to tear up its £87.5m exclusive contract with England and offer a joint deal with terrestrial television to the combined Home Unions worth less than half the total of £183.5m which is on the table to the countries at the moment.

According to a spokesman for the English clubs' organisation, Epruc, Sky is prepared to nullify the heads of agreement already signed by the Rugby Football Union and negotiate another deal worth in the region of £80m – to be shared equally among all four Home Unions.

It would mean England would be back in the Five Nations and Sky would no longer have exclusive live coverage. The other three nations, led by the Welsh, want the championship to be broadcast on a 50-50 basis between satellite TV and its terrestrial cousins.

"We are not in this merely for the money," one Welsh Rugby Union member said yesterday. "We want to safeguard the game and ensure that it is available to the widest possible audience."

"There can be no compromising on the equal share-out

of TV money and we stand by our decision that it must be a collective deal."

"The Five Nations contract needs to go out to tender, and that is what we expect and hope to happen."

The RFU made a conciliatory move yesterday, with the new president, John Richardson announcing that he and the chairman of the RFU executive committee, Cliff Brittle, would be leading a Twickenham negotiating team to meet the other Home Unions next Tuesday.

This came the day after Brittle had called on the people who had negotiated the England-Sky deal to resign. "The situation is most sensitive and I ask all members of the Union and our rugby public to be patient while we seek to resolve this issue and ensure the continuance of the Five Nations' Championship," Richardson said.

Richardson's move drew an immediately favourable response from Alan Hogg, one of Scotland's representatives on the Five Nations Committee. "Any initiative that can improve the situation has to be welcomed," he said. "No-one wants England to be excluded from the northern hemisphere championship if it can be avoided."

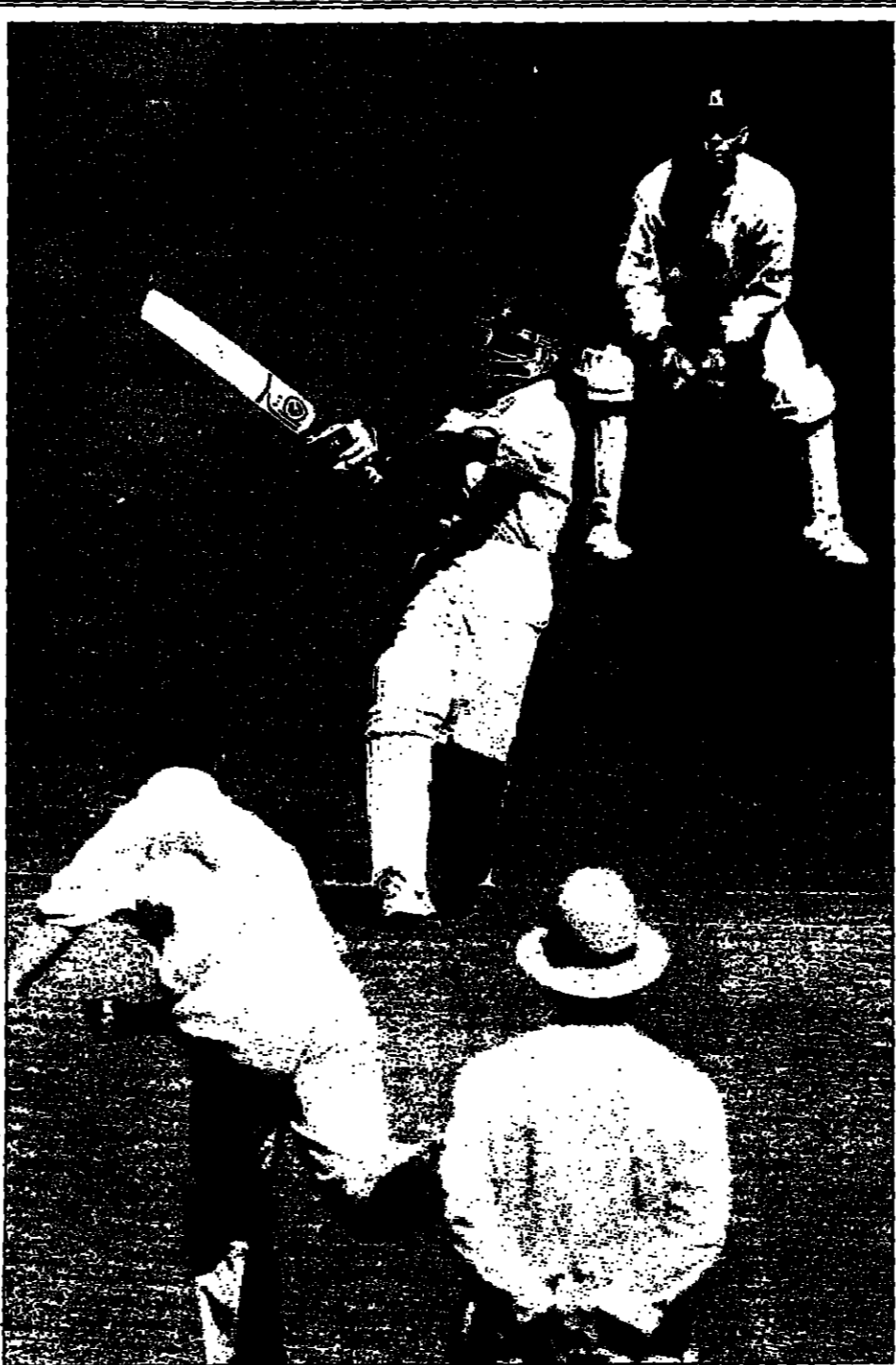
The news of Sky's intentions, which came after a meeting between the chairman of Epruc, Donald Kerr, and Sam

Chisholm, Sky's chief executive and managing director, is deeply worrying for the clubs, who stood to gain £22.5m under the deal with England. With the RFU taking only £20m if the suggested new arrangement becomes reality, the clubs face a massive shortfall as they try to finance the professional era.

"We are alarmed by this possibility, and so should all of English rugby," Kerr said yesterday. "It is not just the senior clubs that will lose out, but every club, right down to the junior clubs."

Another side-effect of yesterday's news is that the workings of the RFU are likely to be overhauled. Richardson announced that the RFU committee had agreed on a special working party, with two independent, non-committee members, to investigate the working practices between officers, committee, sub-committee and staff, in order to make policy recommendations to be adopted. This was announced at last week's annual meeting in London and has now been rubber-stamped by Twickenham. It is likely to redefine the roles of key RFU officers and committee men.

The Welsh Union has told the RFU that the proposed Anglo-Welsh club competition cannot take place until a joint TV and sponsorship package has been negotiated.



Pakistan's Saeed Anwar hooks Paul Smith for six yesterday

Photograph: Peter Jay

Butcher stakes his England claim

Surrey were guilty of losing their way after winning the toss and making an impressive start to their County Championship confrontation with Sussex on an excellent batting strip at Guildford yesterday. But the match still provided Mark Butcher with a platform for his skills to impress the watching England selector Graham Gooch.

Displaying immaculate timing and footwork, Butcher played some stunning shots, and laid the foundation for what promised to be a big score with a 57, along with Alec Stewart (74) and Graham Thorpe (66). But all were guilty of not capitalising on their good start when individual hundreds were there for the taking.

Disciplined Sussex bowling, particularly from Jason Lewry, Paul Jarvis and Danny Law, saw Surrey fold from 251 for two to 300 for eight with six batsmen departing for the addition of just 49 runs in 21 overs.

By the close Graham Kersey and Martin Bicknell had guided Surrey to 317 for eight off 104 overs.

TODAY'S NUMBER

20

The number of runs scored by the Milwaukee Brewers in their baseball game against the Detroit Tigers on Tuesday night in a 20-7 victory. "The pitching was absolutely terrible," said the Tigers' catcher Brad Ausmus, who joined the team earlier this season. "Really, it's a joke."

Britain's six appeal

Tennis

Six British players reached the last 16 of the Manchester Challenger at Didsbury yesterday, with one of them certain to go through to the quarter-finals. Colin Beecher will be battling for a place in the last eight against Norwich's Tom Spinks, who produced the surprise of the day by beating the sixth seed, Luke Milligan, 7-6, 6-2. Spinks, a 21-year-old outsider who was only in the tournament after being granted

a wild card, is over 500 places below Milligan in the world rankings but made a mockery of the form book as he became the first player to oust a seed.

The top seed, Chris Wilkinson of Southampton, went through after a controversial start to his opening match. Wilkinson's opponent, Gabriel Trifu of Romania, lashed out in frustration at a ball when 4-6, 2-4 down and hit a linesman in the chest. The tournament referee, Carl Baldwin, had no hesitation in disqualifying Trifu.

SPORTING DIGEST

Baseball
AMERICAN LEAGUE: Oakland 12 Seattle 6; Boston 5 New York Yankees 9; Baltimore 0 Toronto 6; Kansas City 4 Cleveland 10; Minnesota 3 Chicago White Sox 11; Milwaukee 20 Detroit 7; Texas 6 California 2.
NATIONAL LEAGUE: Atlanta 3 Montreal 2; Chicago Cubs 5 Pittsburgh 10; Los Angeles 1 San Diego 10; Florida 3 Houston 7; Cincinnati 4 St Louis 5; New York Mets 6 Philadelphia 3; Colorado 5 San Francisco 3.

Baseball
Sheffield Sharks have clinched the signing of Vasek Winters, the former NBA forward. Voice, who has been playing in France and Spain in recent seasons, was anxious to return to his wife, a doctor at a Leeds hospital, and agreed to join the Chameleons' League club after visiting their new home at Sheffield Arena. "It is a great facility and equals – if not better – most venues I have played in abroad," said the 6ft 6ins Illinois-born player.

Boxing
Gary Murray, of South Africa, retained his World Boxing Union welterweight title with a unanimous points decision over Juan Carlos Villaverde, of Argentina, in Pretoria on Tuesday night.

Andrew Golota, disqualified last week against Patrick Bowe in a New York bout that ended in a riot, is still wanted in Poland.

EVENING RACING RESULTS

BRIGHTON
6.15: 1. SILVER SPELL (D Holland) 11-2; 2. Royal Emblem (B-13); 3. Corvenga (S-2); 4. New York (D-10); 5. Scorpion (S-10).
6.45: 1. DARK MINE (A Daly) 25-1; 2. Second Step (S-1); 3. Memphis (S-12); 4. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 2. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 3. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 4. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 5. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 6. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 7. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 8. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 9. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 10. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 11. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 12. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 13. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 14. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 15. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 16. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 17. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 18. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 19. 1.6 m. 11-6 for Regatta; 1. 15A; E. Wheel; 20. 1.6 m. 11-6 for Regatta; 1. 15A; E. 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SPORT

BLADON AT THE RACES

An amateur at the Open, 26

OLYMPIC GAMES GUIDE

free with The Independent this Saturday

125TH OPEN CHAMPIONSHIP: Big-hitting Daly looks beyond Royal Lytham's narrow fairways as he prepares to defend title

Faldo rises early for birthday challenge

TIM GLOVER

reports from Royal Lytham

On the occasion of his 39th birthday, Nick Faldo will rise with the gulls and the German deckchair population at 5.30am, probably consume three Shredded Wheat and arrive at the course at 6.30, an hour and three minutes before his tee time. Once again the Englishman has been installed as favourite to win the Open Championship for a fourth time, and who are we to argue with the men with bulging leather satchels.

Indeed, from his comments when on the Lancashire coast this week, everything seems to be coming up roses in Faldo's garden, particularly as his management team have uncovered a dastardly plot which could have scuppered his chances of winning the 125th Open before he had even begun. The plan was for Faldo and his American girlfriend Brenna Cepelak to stay in a private house here. Somehow the tabloids discovered the address and duly rented the property next door.

They may not have actually drilled holes in the wall but it is safe to assume that Faldo's privacy would have gone out of the window, lace curtains and all. However, an estate agent tipped off IMG, Faldo's management company, and the favourite was surreptitiously moved to a secret address. Disaster averted.

"I'm hitting the ball well and everything is coming together," Faldo said. "I enjoy Lytham. It's an accuracy links, so many pot bunkers. You can make a good score on the first 12 holes and, depending on the weather, hang on to it. I'm relaxed and I've got a feel of the links." The weather is hazy and Royal Lytham is going to need more than its 185 bunkers (82 of them over the last six demanding par fours) to keep the field at bay. While most of the players have been practising with friends, wagering side bets in the



Rough passage: The three-times Open winner Seve Ballesteros clears the rough on the sixth hole during a practice round at Royal Lytham yesterday

Photograph: Robert Hallam

process, Faldo has been flying solo. He thinks that the winner on Sunday could be 14 under par or better. He won the English Amateur Championship here in 1975. "That was the first big one," he said. "It was the start of my career and I have good memories from that."

Faldo also made his Ryder Cup debut here in 1977, partnering Peter Oosterhuis to victories in the foursomes and fourballs and defeating Tom Watson by one hole in the sin-

gles. Because of the size of the gallery following him, the Lancashire Constabulary have assigned Faldo his own police protection, a WPC.

Seve Ballesteros also has a penchant for Lytham, of course, winning the Open here in 1979 (aggregate 283) and again in 1988 (273). Eight years ago he finished with a 65 to deny Nick Price. "I'm very grateful to this place. Great memories," Ballesteros said. "I think I won here because of my short game. The

greens are small and everyone is going to miss a lot of greens. Chipping and putting is going to be important. In 1979 I was famous as the man who won the Open from the car park. It took me eight years to get rid of that."

Before arriving here, Ballesteros watched videos of his Lancashire hot shots (all he needed was a soundtrack from Gracie Fields) in an attempt to rediscover the missing link. "I try to pick up any details that I'm not doing now to see if I can inspire myself. I'm proud to see what I did. Although I'm sad that I can't be youthful for ever. When I watch the films it gives me confidence to try and win again. I know it's difficult. I know it's eight years later and my game at the moment is not as good as before but it's possible. I believe that." When he walked on to the second hole, he saw a sign, in

Spanish, reading: "Seve Please Win Again". It was the same sign that he saw here in 1988.

John Daly, the "defending champion," sounded as if he would prefer to be back at St Andrews, the scene of his play-off victory over Costantino Rocca 12 months ago. Incidentally, Rocca, who is bigger in America than he is in Rome, has been invited by the International Olympic Committee to carry the Italian flag at the closing ceremony in Atlanta.

"The fairways are so narrow here I think you can count me out of hitting any," Daly said. "There's more trouble and a lot more bunkers. If I hit my driver I've still got to avoid some bunkers, whereas at St Andrews I didn't have to worry about any bunkers. I felt I could fly right over them."

He, too, has been to the movies and has watched his tri-

umph at the home of golf at least 10 times. "I don't know how I'm going to play," Daly said, "but the good thing about this course is that if you miss it long, it's an advantage. Every hole has an out, apart from the par threes." No American professional has won the Open at Lytham, although the great amateur Bobby Jones took possession of the old silver claret jug in 1926. In the year of the general strike, Jones's aggregate was 291, and he wore a tweed suit to boot. Had he worn it this week he would have suffered from heat exhaustion.

Meanwhile, watch your bets. Statco, of Fantasy Football League fame, wanted to back Paul Eales, who is attached to Lytham, at 125-1 and was told the odds were 16-1. The bookmaker thought he was talking about Els. Two outsiders in particular catch the

eye. Steve Stricker, making his Open debut, is attractive at 28-1 to finish leading American. Stricker, from the non-golfing state of Wisconsin, has won nearly \$1m (£645,000) on the US Tour this season, recording wins in the Kemper Open and, two weeks ago, the acclaimed Western Open near Chicago. Faldo and Greg Norman missed the half-way cut there.

Ricky Willson, who is first off this morning, is in great form. Seventh in the Irish Open a fortnight ago, he had a blast in the final qualifying at Fairhaven (par 74) with 69 and 65 - 14 under par. Willson, who turned pro at the ripe old age of 32, won the English Amateur Championship in 1990 after preparing for the tournament by playing on the sands, à la Red Rum, at Southport. He has been doing a similar thing here.

Willson looks a better bet than Colin Montgomerie, who yesterday wore an air of exasperation. Monty, promoted to world No 2 after winning the Irish Open, shot 81 in the final round of the Scottish Open last Saturday and said his swing had been blown apart by the gales. He decided to have only one practice round here, after which he decided to be interviewed on the grounds that he needed to do some more work on his game.

The three-times winner Jack Nicklaus may have to withdraw from the Open, according to the 1963 champion, Bob Charles. The two arranged a practice round together yesterday, but Nicklaus, 56, was late in joining the New Zealander as he needed treatment to his back. Charles said that Nicklaus may pull out and would make a decision this morning.

THE INDEPENDENT CROSSWORD

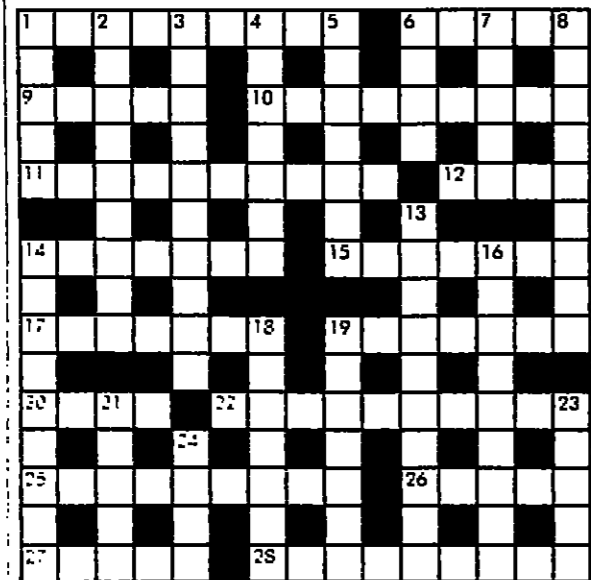
Stuck on a word?

Find another in the Franklin Pocket Thesaurus.

No. 3042, Thursday 18 July

By Spurious

Wednesday's Solution



ACROSS
1. A T E R
2. C A N S E R
3. D I S E A S E
4. I N F E C T I O N
5. T U M O R
6. M A L I G N A N T
7. C A N C E R
8. T U M O R
9. M A L I G N A N T
10. C A N C E R
11. T U M O R
12. M A L I G N A N T
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20. T U M O R
21. M A L I G N A N T
22. C A N C E R
23. T U M O R
24. M A L I G N A N T
25. C A N C E R
26. T U M O R
27. M A L I G N A N T
28. C A N C E R

DOWN

1. Nice season for beekeeper (5)
2. Old curio obtained from flamboyant Caribbean couple, mostly (9)
3. Cover excessively? Yes and no (10)
4. Checked top worn by small child (7)
5. It helps stop kipper getting cold (7)
6. Grounds in Spain tended by the French (4)
7. Taiwan swamped by US spies, just about (5)
8. Infant's perhaps to accommodate Middle Eastern feeling (9)
9. Ratify rent adjustment for American college society (10)
10. Newly lacquered hairstyle is something rather sweet (10)
11. Beliefs which involve endless quarrel, getting louder (9)
12. Managed to cover card of a certain value (7)
13. Religious adviser cut dry fruit (7)
14. Cancel credit - a loan is out (5)
15. Never failing courage (5)
16. Everyone's depressed by start of football season (4)

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FOUR TO CHALLENGE FROM DOWN UNDER

ROBERT ALLENBY

Australia

Age: 25

Born: Melbourne

Interests:

fishing, music,

boats.

Allenby, whose

parents emigrated

from Leeds, be-

came the first rookie to top the

Australian Order of Merit in 1992 when

he won the Johnnie Walker Classic at

Royal Melbourne. Finished 15th in the

Open Championship at St Andrews last

year and can improve on that this week.

Has hit rich form, popping Colin Mont-

gomery to win the Alamo English Open

at the Forest of Arden at the beginning

of June and ended the month by cap-

turing the French Open near Paris. Third

in the Volvo Rankings, behind Monty and

Ian Woosnam.

Odds: 20-1

FRANK NOBILLO

New Zealand

Age: 36

Born: Auckland

Interests:

squash, karting,

motor racing.

Nobillo, who says

he is the great

grandson of an

Italian pirate, won nearly £500,000 last

year, the highlight being victory in the

Sarazen World Open Championship in

America. It proved that he could live with

the best and the Kiwi, who has taken

membership at the Stoke Poges club

near Slough, is increasingly coming to

the fore in the majors. Shot 69 in the

last round of the Masters at Augusta

and finished fourth. Was also in con-

tention in the US Open at Oakland Hills

until a 74 in the final round relegated

him to joint 13th.

Odds: 33-1.

WAYNE RILEY

Australia

Age: 33

Born: Sydney

Interests:

music,

cars, bikes.

Riley, who had a

reputation for be-

ing a tearaway -

booze, birds,

gambling, just the national pastimes of

Australia - has come of age in recent

seasons. His victory in the Australian

Open in 1991 was generally regarded as

an oddity but he proved a point last

year by winning the Scottish Open at

Carnoustie, defeating, amongst others,

Montgomery and Nick Faldo. That was

his first victory on the European Tour

and this year he won the Portuguese

Open and was runner up in the Mur-

phy's Irish Open, scoring a phenom-

enal 66 at Druids Glen in the final round.

Odds: 40-1.

MICHAEL CAMPBELL

New Zealand

Age: 27

Born: Hawera

Interests:

films,

reading, flyfishing.

Like

Nobillo,

Campbell has be-

come a serious

player, announc-

ing his arrival by inspiring New Zealand

to victory in the Eisenhower Trophy in

1992. Won the Australian and New South

Wales amateur championships before

turning professional in 1993. Campbell,

a Maori, says his great great grand-

father was a Scot who emigrated to New

Zealand in 1845. Runner up in the Vol-

vo PGA Championship last year and led

the Open at St Andrews following a 65

in the third round. Finished a stroke off

the play-off between John Daly and

Costantino Rocca.

Odds: 66-1.

Harrison allowed to take on Edwards

Olympic Games

MIKE ROWBOTTOM

reports from Atlanta

One of Jonathan

Edwards' main

triple jump rivals,

Kenny Harrison,

has been added to the United

States team on deadline after a

successful appeal to the In-

ternational Amateur Athletic

Federation.

United States' officials had

told the 31-year-old former world

champion he had not achieved

the qualifying mark of 16.83

metres as his indoor perfor-

mances this year did not count.

But Harrison, whose victory

at the US trials with 18.01

metres was invalid for qualifying

purposes because of wind as-

sistance, took his case to the in-

ternational authority, which

ruled in his favour.

Edwards will now have to

face two of the three other triple

jumpers who have surpassed 18

metres, as Harrison joins the

reigning Olympic champion,

Mike Conley.

Harrison, whose indoor mark

of 17.05 metres at Reno in Feb-

ruary eventually proved sufficient

to allow him to compete here,

was angry about the actions tak-

en - or not taken - by the US

Track and Field authorities.

After his opening jump at the

trials, he passed on his other five

attempts, believing that he had

done enough to win and that his

indoor marks would give him

the qualifying distance.

"During the competition, with

our coaches there, someone

should have come down after

they saw me passing three jumps

and said: 'Hey, you don't have

the qualifying mark. You might

want to take an extra jump.' I

don't think they even went

through the effort of checking."

Harrison's motivation to do

well stems as much from a de-

sire to beat Conley as anything

else. "Conley's name over-

shadows everything I have ever

done," he said. "To get the at-

tention, I have to do something

extra special. The thing he has

that I don't is an Olympic gold."

In the meantime, pressure

has been growing upon Mike

Turner - the doctor who told

BBC's Panorama programme

this week that 75 per cent of ath-

letes in Atlanta had probably

taken performance-enhancing

drugs - to back up his claims.

Turner, who is a member of

the British Olympic Associa-

tion's medical committee as a

representative of the Lawn Ten-

nis Association, has been asked

either to substantiate his com-

ments by Friday, or consider his

position on the BOA committee.

Malcolm Brown, Britain's

team doctor, added his weight

to the argument by hinting that

he would resign from the BOA

committee if Turner did not.

"The team are incensed by

these comments," said the BAF

spokesman Tony Ward. "He is

being cheap. A lot of mud has

been flung at us over the years,

and we have been too tolerant."

"This is the most tested

British team we have sent to a

major championships in the his-

tory of athletics. We have con-

ducted more than 300 tests in the

last three to four months, and all

of the 80-strong team are clean.

That is fact, not innuendo."

Dean Capobianco, the Aus-

tralian sprinter suspended after

testing positive for the banned

steroid stanozolol, has taken part

in an independent hearing by tele-

phone link-up and is awaiting the

decision of the QC in charge of

the case, Robert Ellicott.

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